

CESEE Research Update

OeNB Foreign Research Division

ceec.oenb.at

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New New New

This is the first issue of the CESEE Research Update released by the Foreign Research Division of the Oesterreichische Nationalbank (OeNB). The aim of this newsletter is to inform readers about OeNB research and analysis output on Central, Eastern and Southeastern Europe (CESEE) as well as past and forthcoming CESEE-related OeNB events. The CESEE Research Update will be issued four times a year.

Happy reading!
 Oesterreichische Nationalbank
 Foreign Research Division

Highlights of This Issue

- The Research Platform of the OeNB's Foreign Research Division (ceec.oenb.at), which centers on developments in CESEE, has just been updated with new content (see page 3).
- According to the current OeNB macroeconomic forecast, GDP growth in CESEE is expected to come to 3.1% in 2011 and to increase only moderately to 3.8% in 2012 (see page 2).
- The recent results of the OeNB Euro Survey illustrate to what extent foreign currency loans are to blame for households' difficulties in paying down their loans (see page 3).
- In the first quarter of 2011, the OeNB's Foreign Research Division organized the 68th East Jour Fixe on February 28, 2011, to discuss needs and options for fiscal reform in CESEE in the aftermath of the economic and financial crisis (see page 4).

OeNB-BOFIT Outlook for CESEE countries: Domestic Demand Strengthens and External Demand Moderates¹

Growth in the **CESEE-7 region**² remained uneven across countries in 2010, but has become more balanced from 2011 onward. Backed by recovering domestic demand and continued (albeit declining) support from external demand, GDP growth is expected to reach 3.1% in 2011 and to increase only moderately to 3.8% in 2012. This overall upward revision of our September projections for the region concerns all countries equally, with the exception of the Czech Republic, for which we revise our forecast downward by 0.6 percentage points. Traditional growth drivers are re-emerging in the CESEE-7. Domestic demand, backed by a strong rebound in investment and a moderate revival of private consumption, will contribute positively to GDP growth again from 2011, while the contribution

of net exports is shrinking continually and will turn negative in many countries in 2012. In tandem, capacity utilization is rising sharply. At the same time, restocking has mostly come to

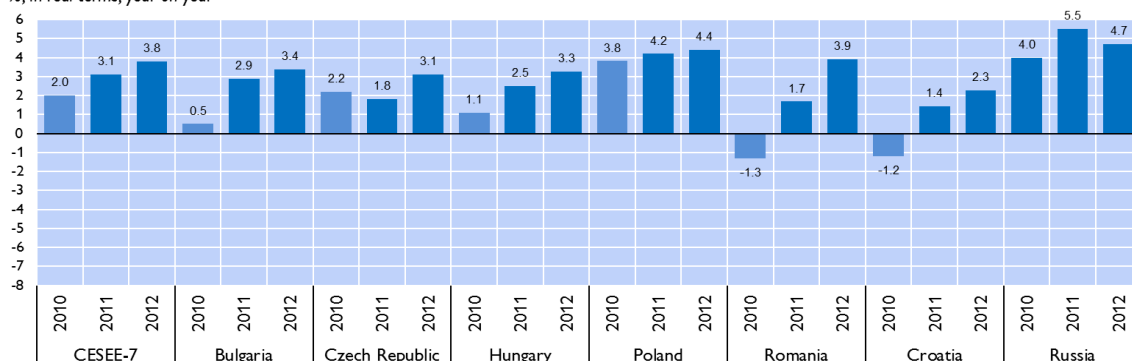
an end. The projected acceleration of growth to almost 4% in 2012 should bring back a considerable growth differential to Western Europe (of about 2 percentage points), thus ensuring that the convergence process (which slowed down substantially over the past two years) will pick up again.

Nevertheless, growth rates will remain below their pre-crisis levels, which can be attributed to the elevated need for fiscal consolidation in a number of countries, continuously tight credit conditions, a weak construction sector and a moderation of demand in the region's major trading partners, mainly the euro area.

Following a temporary pick-up during the winter, GDP growth in **Russia** is expected to slow down gradually during the forecast period, slipping from 5.5% in 2011 to 4.7% in 2012. One of the reasons for this decline is that imports are projected to continue expanding rapidly, at about 16% in 2011 and around 10% in 2012. **Croatia's** GDP growth, in turn, will recover rather moderately by 1.4% in 2011 and accelerate somewhat to 2.3% in 2012 thanks to a further

CESEE-7: GDP Growth Projections for 2010 to 2012

%, in real terms, year on year



Source: OeNB-BOFIT March 2011 forecast, Eurostat, IMF.

strengthening of domestic demand.

http://www.oenb.at/en/geldp_volksw/zentral_osteuropa/News/Prognose/oenb-bofit_outlook.jsp#tcm:16-224278

¹ The OeNB and the Bank of Finland Institute for Economies in Transition (BOFIT) compile semiannual forecasts of economic developments in selected CESEE countries (Bulgaria, the Czech Republic, Hungary, Poland, Romania, Russia and Croatia). They are based on a broad range of available information, including country-specific time series models for Bulgaria, Croatia, the Czech Republic, Hungary, Poland and Romania (for technical details, see Crespo Cuaresma, Feldkircher, Slacik and Wörz, 2009. Simple but Effective: The OeNB's Forecasting Model for Selected CESEE Countries. Focus on European Economic Integration Q4/09. 84–95). The projections for Russia were prepared by the Bank of Finland Institute for Economies in Transition and are based on an SVAR model. The cutoff date for all projections in this box is March 24, 2011.

² Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania. Latvia and Lithuania are not covered by our own projections in this note, but are included in the CESEE-7 aggregate based on the most recent IMF projections.

Relaunch of the OeNB's Research Platform for Central, Eastern and Southeastern Europe:

The Research Platform of the Oesterreichische Nationalbank's Foreign Research Division (ceec.oenb.at), which focuses on developments in Central, Eastern and Southeastern Europe (CESEE), has just been updated with new content. The section News provides information on both recent economic developments and the macroeconomic outlook in selected CESEE countries. In the section Publications you find the current issues of, for instance, Focus on European Economic Integration and the CEEI Conference Proceedings. The other sections – Events, Technical Cooperation and Joint Vienna Institute as well as OeNB Euro Survey – have likewise been updated for your convenience.

Central, Eastern and Southeastern Europe



News

Newsletter – OeNB-BOFIT Outlook for Selected CESEE Countries – Recent Economic Developments – Other News



Publications

Focus on European Economic Integration (FEEI) – CEEI Conference Proceedings – Financial Stability Report – FEEI Special Issue: Twenty Years of East-West Integration – OeNB Workshop Proceedings



Events

Conference on European Economic Integration (CEEI) – East Jour Fixe – Global Economy Lecture – Workshops – Other Events



Technical Cooperation and Joint Vienna Institute

The OeNB provides technical assistance to transition countries in Central-, Eastern- and Southeastern Europe (CESEE), the western Balkans and the CIS countries, both on a bilateral and a multilateral level.



OeNB Euro Survey

A semiannual survey on the use of the euro in Central, Eastern and Southeastern Europe

Households' difficulties to pay down loans: to what extent are foreign currency loans to blame? Evidence from the OeNB Euro Survey¹

The implications of foreign currency lending to unhedged borrowers in central, eastern and southeastern Europe (CESEE) for macroeconomic and financial stability had already been a subject of debate prior to the global economic and financial crisis. Since the crisis affected the CESEE region, triggering exchange rate fluctuations and putting a strain on the financial situation of households, the issue of foreign currency lending has increasingly caught the attention of policy-makers.

The latest OeNB Euro Survey of autumn 2010 included some questions about difficulties with loan repayments. For instance, respondents were asked whether they have found it more difficult to pay down their loans as a result of the economic and financial crisis. Those who reported increased difficulties were then asked about the reasons. Possible an-

swers included lower household earnings as well as higher instalment payments. The results clearly reveal that in all countries except Hungary and Serbia, difficulties with repayments are mainly related to a decrease in earnings (see chart) and not to increased instalment payments. By contrast, in Hungary and Serbia, respondents indicated that higher instalments were roughly as important as the income effect. Among those who stated that higher instalments were causing the difficulties, the share of those holding a foreign currency loan was above 80% in Hungary and above 90% in Serbia. These results establish, not surprisingly, that the increase in instalment payments is related to the depreciation of the forint and the dinar and, by extension, that foreign currency loans are the major cause of arrears in these two countries.

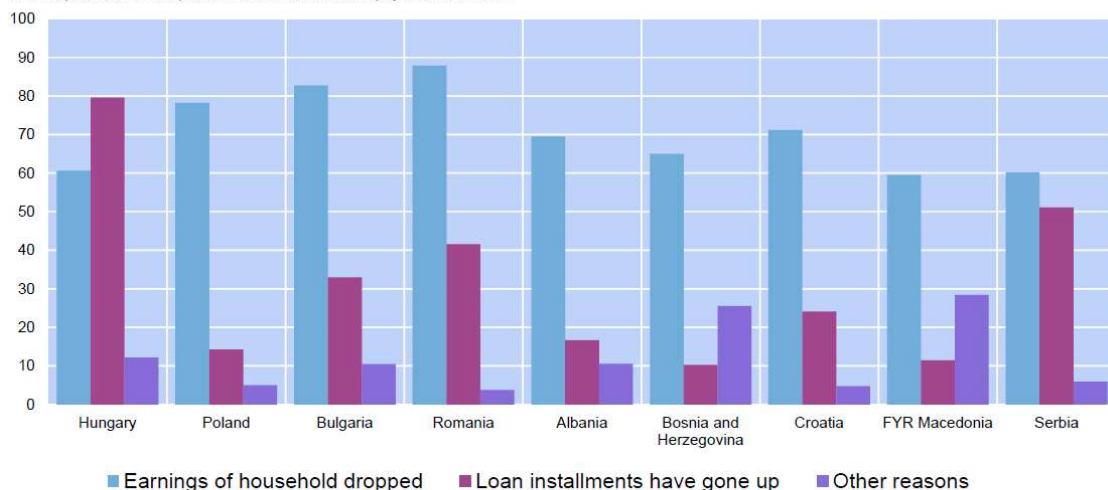
¹ Excerpt of this year's OeNB contribution to the ECB report on "The International Role of the Euro", forthcoming.

However, this assumption is not confirmed for the CESEE region as a whole. Overall, the fact that households have a lower debt-servicing capacity because of rising unemployment and decreased earnings seems to play a more important role than higher instalments. In particular in countries with

pegged or quasi-pegged currencies, foreign currency loans do not seem to be the major cause of repayment difficulties. This may be one reason why demand for foreign currency loans has not declined more strongly as a consequence of the financial crisis.

Reasons for Difficulties to Pay Down Loan

% of respondents who report that it is more difficult to pay down their loan



Source: OeNB Euro Survey Fall Wave 2010.

Note: Excluding respondents answering "Don't know / no answer." Respondents were asked the following question: If you do find it more difficult to pay down your loan: Why is this the case? Respondents could choose any number of the following reasons: (i) The earnings of my household have dropped, (ii) the loan installments have gone up, (iii) for other reasons.

68th East Jour Fixe of the OeNB :

Limited Fiscal Space in CESEE: Needs and Options for Post-Crisis Reform, February 28, 2011

The aim of the 68th East Jour Fixe was to provide answers to three **main questions**: (1) What were the reasons for limited room for budgetary maneuver and for limited crisis-resilience of public finance systems in the Central, Eastern and Southeastern European (CESEE) economies during the 2008-09 financial and economic crisis? (2) What kind of reform is necessary to gain more fiscal space in the future? (3) Can an improved access to and a more effective usage of international funds be considered as a possibility to gain more fiscal space? To answer these questions, the workshop brought together **distinguished specialists** in the field, from both international institutions and public institutions located in CESEE: Bas Bakker from the IMF, Karsten Staehr from Tallinn University of Technology and Eesti Pank, Nadine Leiner-Killinger from the ECB, Markus Eller from the OeNB, Tomasz Jędrzejowicz from Narodowy Bank Polski, Petr Král

from Česká národní banka, Neven Mates from Hrvatska narodna banka, Lúdvít Ódor from the Slovak Ministry of Finance, Philippe Monfort from the European Commission, Jean Vrla from the European Investment Bank and Christian Kummert from Kommunalkredit Austria AG.

Following **policy options** were discussed in the workshop to create more fiscal space in the CESEE countries in the future:

- (1) Keep expenditure growth in line with cautious estimates of potential GDP growth and use revenue over-performance to build up buffers that can be used in the situation of the next economic downturn.
- (2) Use funded pensions actively as a countercyclical instrument, i.e. allow for lower contributions and/or withdrawals of accumulated pension savings during bad times and tax released pensions appropriately such that burdens on public budgets can be reduced

during a recession (Staehr). (3) Restructure government debt toward domestic holders, long-term maturities and local currency denomination. (4) Improve the quality of fiscal institutions by enforceable and transparent multi-year rules and by independent fiscal councils that provide regular assessments to decrease information asymmetries between fiscal policymakers

and the public. The **conference proceedings** will be published in the OeNB's Workshops series (No. 17) in June 2011. The presentations and the workshop program are available at

http://www.oenb.at/en/geldp_volksw/zentral_osteuropa/Events/events.jsp

Presentation at the OeNB by Éva Katalin Polgár(ECB): Are Policy Measures Effective in Controlling Credit Growth in Emerging Europe?

Éva Katalin Polgár, economist at the EU Neighbouring Regions Division of the European Central Bank (ECB), was invited to the OeNB to shed more light on the effectiveness of policy measures to control credit growth in emerging Europe. On March 17, 2011, she **presented her joint work with Aleksandra Zdzienicka**, economist at the CEPII, the French research center in international economics. Their empirical exercise is based on a panel of 12 CESEE EU Member States, candidate and potential candidate countries over the period 1998 to 2009.

The main findings show that supply-side measures (e.g. changes in risk weights and quantitative restrictions on lending) and measures that are supposed to deal with

credit demand (e.g. the introduction of credit guidelines) are found to be insignificant. Éva Katalin Polgár concludes that besides standard monetary policy, more explicit prudential measures should additionally help curb excessive growth in times of a credit boom – despite their distortionary character. A more detailed description of this event is available at http://www.oenb.at/en/presse_pub/period_pub/volkswirtschaft/integration/focus_on_european_economic_integration_11q2.jsp#cm:16-232756

in issue Q2/2011 of Focus on European Economic Integration.

OeNB Publications by Staff Members



Focus on European Economic Integration Q2/11

Recent Developments in Selected CESEE Countries: Gradual Recovery amid Rising Inflation and Some Fiscal Consolidation (Schreiner)

The Economic Transmission of Fiscal Policy Shocks from Western to Eastern Europe (Crespo-Cuaresma, Eller, Mehrotra)

CESEE-Related Abstracts from Other OeNB Publications (Gardo)

68th East Jour Fixe Limited Fiscal Space in CESEE: Needs and Options for Post-Crisis Reform (Eller)

Presentation at the OeNB by Éva Katalin Polgár (ECB): Are Policy Measures Effective in Controlling Credit Growth in Emerging Europe? (Steiner)

Call for Entries Olga Radzyner Award 2011 for Scientific Work on European Economic Integration

http://www.oenb.at/en/presse_pub/period_pub/volkswirtschaft/integration/focus_on_european_economic_integration_11q2.jsp

The Economic Transmission of Fiscal Policy Shocks from Western to Eastern Europe, Crespo Cuaresma, J, Eller, M., Mehrotra, A. (2011), Focus on European Economic Integration, Q2/2011, p.44-68.

This paper studies the transmission of a foreign fiscal policy shock (assumed to be generated in Germany) to key macroeconomic variables in five Central and Eastern European economies (CEE-5). We use quarterly data from 1995 to 2009 and estimate an open economy structural vector autoregressive (SVAR) model identified by imposing reasonable restrictions on contemporaneous responses in the system. Our model is able to identify well-known episodes of fiscal policy action in the countries under review. We find that a foreign fiscal shock affects domestic fiscal variables and vice versa, which highlights the importance of cross-country coordination of fiscal policies within the EU. All the CEE-5 respond to a fiscal expansion abroad with fiscal easing at home (more strongly on the public spending than on the revenue

side). We find negative cross-border fiscal spillovers for Slovenia, the Czech Republic and Slovakia, while in Poland and Hungary, output reacts positively to a fiscal expansion in Germany. For domestic fiscal shocks, which we also explore, we find Keynesian responses in Hungary and Slovakia, while non-Keynesian responses are present in the Czech Republic, Poland and Slovenia. Our results imply that “one-size-fits-all” policy recommendations would be too simplistic for the CEE-5; a deeper understanding of the reasons for cross-country differences in response to fiscal shocks is required to be able to provide adequate information to policymakers in these countries.

http://www.oenb.at/en/img/feei_2011_q2_studies_01_tcm16-232748.pdf

CESEE-related Abstracts from other OeNB Publications

Russian Banks on the Route of Fragile Recovery, Barisitz, S., Lahnsteiner, M. (2010), Financial Stability Report 20, pp.77-85.

Largely thanks to the recovery of the real economy, the situation of Russian banks has improved again. After month-on-month loan growth had quickly ground to a halt in late 2008, banks contributed to Russia's deep economic slump in 2009. The share of nonperforming loans had tripled to 10% of total loans by late 2009 and has since remained at about this level. An incipient recovery of lending made itself felt only in the second quarter of 2010. However, as the national authorities had delivered a comprehensive policy response which helped sustain or reestablish confidence, Russia did not experience any major bank run or failure. Temporary deposit withdrawals after the collapse of Lehman Brothers were followed by a rapid expansion of deposits, starting from early 2009. Following a modest crisis-

triggered rise, the share of foreign currency loans declined again to about one-fifth of total loans. Banks' access to international capital markets improved from late 2009/early 2010. Profitability, having plunged to zero in mid-2009, subsequently recovered but is still modest. Thanks to recapitalization exercises, capital adequacy is satisfactory. The stabilization of the banking sector has allowed the authorities to start exiting from crisis response measures. Banks face a vulnerable environment given the world economy's post-crisis fragility and Russia's undiminished dependence on the oil price and capital flows, which is exacerbated by persisting structural weaknesses. Nonetheless, the existing shock-absorbing factors are sizeable. http://www.oenb.at/de/img/msb_20_schwerpunkt02_tcm14-214504.pdf

Preserving Macroeconomic Stability in Serbia. Past Legacies, Present Dilemmas and Future Challenges, Gardó, S. (2011), Financial Stability Report 21, forthcoming.

Serbia accumulated sizeable macrofinancial imbalances during the boom years 2004-2008, which made the country vulnerable to external shocks in the context of the global crisis and rendered the process of crisis management more complex. As vulnerabilities materialized, Serbia had to take recourse to IFI support which helped to stabilize macrofinancial conditions. However, some macrofinancial risks prevail, mainly in the areas of fiscal and external sustainability. At the same time, financial stability concerns are mitigated by the banking system's high shock-

absorptive capacities, the strategically-oriented presence of foreign banks and vigilant central bank action. Looking forward, a main challenge will be to avoid a renewed rise of financial and external vulnerabilities. This calls for a prudent economic policy mix and increased efforts with a view to structural reforms.

http://oenb.at/en/presse_pub/period_pub/finanzmarkt/finanzmarktstabilita/financial_stability_report.jsp

Call for Applications

Olga Radzyner Award 2011

for Scientific Work on European Economic Integration

The Oesterreichische Nationalbank has established an award to commemorate Olga Radzyner, former Head of the Foreign Research Division, who died in a tragic accident in August 1999. The award is bestowed on young economists for excellent research focused on topics of European economic integration and is conferred annually. In 2011, four applicants are eligible to receive a single payment of EUR 3,000 each from an annual total of EUR 12,000.

The submitted work shall be in English or in German, should not exceed approximately 30 pages and shall preferably be in the form of a working paper or a scientific article. The topic of the submitted work should be on European economic integration issues. Authors shall submit the work before their 35th birthday and shall be citizens of any of the following countries: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, FYR Macedonia, Hungary, Kosovo, Latvia, Lithuania, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine. Previous winners of

the Olga Radzyner Award, ESCB central bank employees as well as current and former OeNB staff are not eligible. In case of coauthored work, each of the coauthors has to fulfill all the criteria.

The Oesterreichische Nationalbank shall receive the work **submitted for this award, by October 10, 2011**, and the work shall be sent by electronic mail to eva.gehringer-wasserbauer@oenb.at or in hard copy to the Oesterreichische Nationalbank, Foreign Research Division, Otto-Wagner-Platz 3, POB 61, 1011 Vienna, Austria. To identify their work as a submission, applicants shall mark the envelope with the reference "Olga Radzyner Award". Apart from the copy of the applicant's birth or citizenship certificate, the author shall provide a brief CV.

For detailed information, please visit our Internet website at www.oenb.at or contact Eva Gehringer-Wasserbauer in the Foreign Research Division of the Oesterreichische Nationalbank either by e-mail (eva.gehringer-wasserbauer@oenb.at) or by phone (+43-1-40420-5205).

OeNB Courses at the Joint Vienna Institute (JVI)

For further details see: http://www.jvi.org/fileadmin/jvi_files/JVI_Program2011.pdf

September 26 – 30, 2011	Macro-Financial Stability and Road to the Euro
October 3 – 7, 2011	Economic and Monetary Integration in Europe: CIS-Related Aspects
December 12 – 14, 2011	Translation in a Central Bank Setting

Research Stay at the OeNB's Foreign Research Division

Zuzana Fungáčová (BOFIT)

From April 18 to May 20, 2011, Zuzana Fungáčová, economist at the Bank of Finland's Institute for Economies in Transition (BOFIT), visited the Foreign Research Division of the OeNB as a guest researcher. The visit took place under the regular exchange and cooperation framework between BOFIT and the OeNB's Foreign Research Division. Together with Markus Eller and Jarko Fidrmuc, she investigated the determinants of output volatility in Russian regions. This issue is especially important in emerging economies, which are prone to stronger business cycle fluctuations than advanced economies. Countries with

higher output volatility are found to have lower economic growth and lower private investment. Therefore, determining the factors that contribute to output volatility might have crucial policy implications. Yet, respective empirical evidence for emerging Europe is scarce. The authors try to close this research gap, focusing particularly on financial sector development and fiscal policy as determinants of output volatility. The outcome of this joint research project will be presented at the Bank of Finland and the OeNB in fall 2011.

Konstantins Benkovskis (Bank of Latvia)

Konstantins Benkovskis, Head of the Monetary Research and Forecasting Division in the Monetary Policy Department of the Bank of Latvia, visited the Foreign Research Division of the OeNB between January 10 and April 8, 2011, within the "External Work Experience" framework of the European System of Central Banks (ESCB). During his stay, Konstantins pursued two research projects. A joint paper with Martin Feldkircher and Julia Wörz – to be published in Focus on European Economic Integration Q3/11 – analyzes monetary policy spillovers from the euro area to small CESEE countries based on a factor-augmented VAR model. The results show that the

ongoing and future exit from the ECB's current loose policy stance back to a normalization of monetary policy is likely to have contractionary effects also on CESEE countries. In addition, Konstantins continued his research on product quality and variety in international trade flows. On March 3, 2011, he presented earlier work on quality and variety of exports at the wiiw Seminar in International Economics. Konstantins also shared his experience with forecasting CESEE economies, presenting the LATCOIN model – a medium- to long-run growth model for Latvia in real time – to OeNB colleagues.

External Publications by Staff Members

Location Factors of FDI and the growing services economy: Evidence for Transition Countries, Aleksandra Riedl, (2010), *Economics of Transition*, 18, pp. 741-761

Foreign direct investment (FDI) has increasingly shifted toward the service sector. This change in the industrial composition of FDI and the non-tradable na-

ture of services may have altered the importance of location factors for investment decisions. To capture potential changes in FDI determinants, a contrasting

sectoral analysis is performed. Based on FDI stock data from eight new EU member states for the period 1998 to 2004, we implement a dynamic panel approach allowing the speed of adjustment to the equilibrium investment level to vary across sectors. Results support our assumption that investment into the service sector, which is characterized by low installation costs, adjusts much faster to its desired level than manufacturing FDI. Thus, government interventions to attract FDI are likely to boost the service sector immediately while having a slower impact on

manufacturing FDI. Furthermore, since services are mostly non-tradable, FDI into this sector is largely based on market-seeking motives while FDI in the manufacturing sector is also driven by international price competitiveness measured by real unit labor costs. Assuming an ongoing growth of investment activities in services, low labor costs are likely to become less relevant for attracting FDI.

<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0351.2010.00391.x/abstract>

Trade with Central and Eastern Europe: Is It Really a Threat to Wages in the West?, Polgár, Éva Katalin and Julia Wörz. (2011), DANUBE Law and Economics Review 1, pp. 1-31.

This paper analyses the relationship between openness to trade and wages at the industry level (15 manufacturing industries) in 25 EU countries over the period from 1995 to 2005. By applying a cross-country and industry-specific approach, it is possible to control for unobserved heterogeneity at both country and industry levels. We also differentiate between intra- and inter-industry trade as well as between trade from western and eastern Europe and we try to assess the relative importance of foreign wages versus domestic productivity developments in an open environment. We find that trade is not an important driver of wages, since the wage

response to trade is small. Moreover, in line with the Stolper-Samuelson reasoning, imports from the west generally benefit wages in central and eastern Europe, while imports from the east rather tend to harm wages in the west. The overall wage response is still negative in some sectors, particularly in more resource-based industries. Nevertheless, increased trade reinforces the productivity-wage link and weakens the co-movement of wages particularly in the west, while at the industry level there is little evidence of such a wage-disciplining effect of trade.

http://www.eaco.eu/documents/issue/Eva_Polgár-Julia_Wörz.pdf

The Euro in an Enlarged Europe – Exchange Rate Regimes in Crisis? Ritzberger-Grünwald, D. (2010), Jahrbuch „Österreichs Außenwirtschaft 2010“, pp.235-255

Central and Eastern European countries are different from each other in many respects, especially with regard to their currency and exchange rate regimes. Whereas some of them have already introduced the euro (Slovenia, Slovakia) or will do so shortly (Estonia), others have not yet given up their national currencies as an important policy instrument. Obviously, small open countries prefer a fixed exchange rate regime, e.g. a currency board, whereas larger countries prefer flexible exchange rates. Other important factors in this choice (apart from country size) are the countries' trade links, but also their historical ties, which many post-Communist countries have tried to shake off. For those who have an anchor currency, the stabilisation of expectations is another main factor. Countries with a flexible exchange rate system can let their currency appreciate continuously in line with the catching-up process. Conversely, they can use this flexibility during a crisis

to strengthen competitiveness. Poland, for instance, depreciated its currency during the crisis by around 25 percent. This may have been a central factor in the country's extraordinarily good performance. Poland was the only EU country to post positive real GDP growth in 2009. In contrast, Slovenia and Slovakia have profited from having joined the euro area soon after their EU accession. In their case, the euro acted as a kind of shelter from the crisis. Slovenian and Slovak government bonds unlike many others have not been downgraded in the wake of the crisis.

These very different experiences lead to the conclusion that no single exchange rate system benefits all countries alike under all circumstances. In addition, it has to be admitted that euro area entry is more or less out of reach for all Central and Eastern European countries in the near future. Whereas in the past, price stability was the major hurdle (due to the

catching-up process), the greatest difficulty now is meeting fiscal criteria (due to the crisis-related fiscal packages). Independently of the choice of exchange rate regime, we find a significant degree of euroisation especially in South Eastern European countries. While this kind of de facto euroisation observed in some countries will by no means replace the official introduction of the euro, the current widespread use

is quite an impressive sign of trust placed in our relatively new currency, the euro.

http://www.fiw.ac.at/fileadmin/Documents/Publikationen/Aussenwirtschaftsjahrbuch/2010/Kapitel/Kapitel%2014%20aus%20AWJB_2010.pdf

(in German)

Upcoming and Recent Events

The following events are organized by the OeNB and cover CESEE relevant topics. Please note that attendance is by invitation only. If you are interested in participating in one or more of the events, please send an e-mail to OeNB.ResearchUpdate@oenb.at

Upcoming

June 20, 2011	69th OeNB East Jour Fixe Workshop: "Credit to the Private Sector: Threat to or Opportunity for Growth in CESEE?"
June 28, 2011	Revival in the Visegrad countries' mutual trade after their EU accession: a search for explanation"; Neil Foster, Gábor Hunya, Olga Pindyuk and Sándor Richter (wiw) present the results of OeNB Jubiläumsfondprojekt No 13367.

Recent

February 28, 2011	East Jour Fixe: Limited Fiscal Space in CESEE: Reasons, Implications and Needs for Reform in the Post-Crisis Environment
January 24, 2011	Jeromin Zettelmeyer (EBRD): Presentation of the EBRD Transition Report 2010



Conference on European Economic Integration (CEEI) 2011

"European Integration in a Global Economic Setting – China, Russia and CESEE"

Jointly organized by the Oesterreichische Nationalbank (OeNB) and Suomen Pankki – Finlands Bank

November 21 and 22, 2011, Marriott Hotel

By Invitation Only

CONFERENCE ASPECTS

The CEEI 2011 will deal with various aspects of European economic integration from a global perspective, investigating the impact of China and Russia as emerging global economic players on the catching-up process in CESEE. Contributions will focus on competitiveness with regard to global production lines, FDI flows and commodities in view of inflation pressures and challenges for monetary policy and banking. The CEEI 2011 will question the sustainability of current growth strategies and consider the shift in the global economy toward Asia. All these aspects will be discussed in the light of the recent economic and financial crisis.

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