Heterogeneity in Euro Area macroeconomic variables

Real GDP Growth 1/2/
(percent)

Inflation 2/
(percent)

Unemployment rate 2/
(percent)

Source: IMF, World Economic Outlook database.
1/ Ireland 2015 growth rate is excluded.
2/ Only countries that were part of the Euro Zone in each given year are included.
Heterogeneity in TFP

Total Factor Productivity 1/
(Index; 2000=100)

- France
- Germany
- Spain
- Portugal
- Italy
- Greece

Source: Eurostat.
1/ Include all countries that are part of Euro Zone since 1999, except Ireland.
Heterogeneity in lending rates and TLTROs usage

NFC lending rates and ECB policy rate (percent)

- Germany
- Spain
- Italy
- France
- ECB policy rate

Sources: Haver Analytics; and upcoming April 2019 IMF GFSR.

TLTROs Allowances and Outstanding Amount by Country (percent)

- TLTRO 3 allowance estimated
- TLTRO 2 unused allowance
- Outstanding amount of TLTRO 2s

Sources: Haver Analytics; and upcoming April 2019 IMF GFSR.
Heterogeneity in debt levels

Euro area gross public debt
(percent of GDP)

Source: IMF, World Economic Outlook database.
Solutions

➢ Undertaken:

• TLTRO, Single Supervisory Mechanism
• Lender of Last Resort: Outright Monetary Transactions (OMT)
• European Stability Mechanism

➢ Necessary Reforms:

• Banking Union, Capital market integration
• Fiscal risk sharing
• Structural Reforms