



"Financing Productivity Growth in Europe:

Efficiency of European Financial Sector in
allocating Finance"

Luxembourg

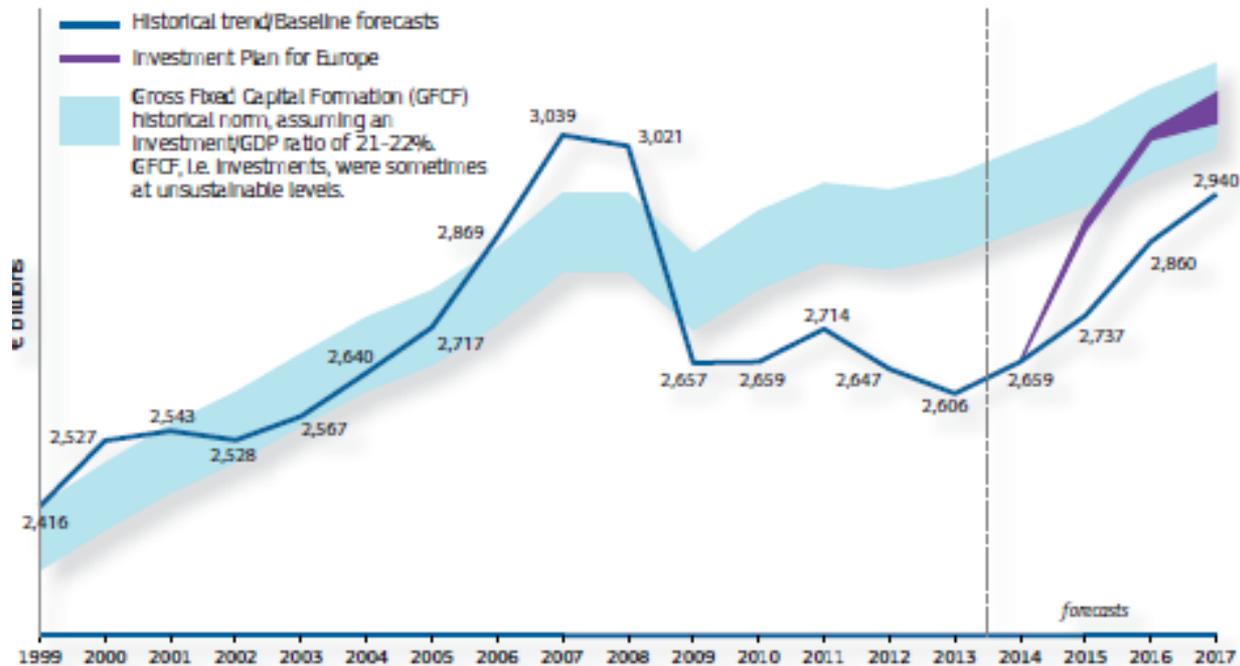
17 November 2016

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EFSI: investments back on track

Real gross fixed capital formation

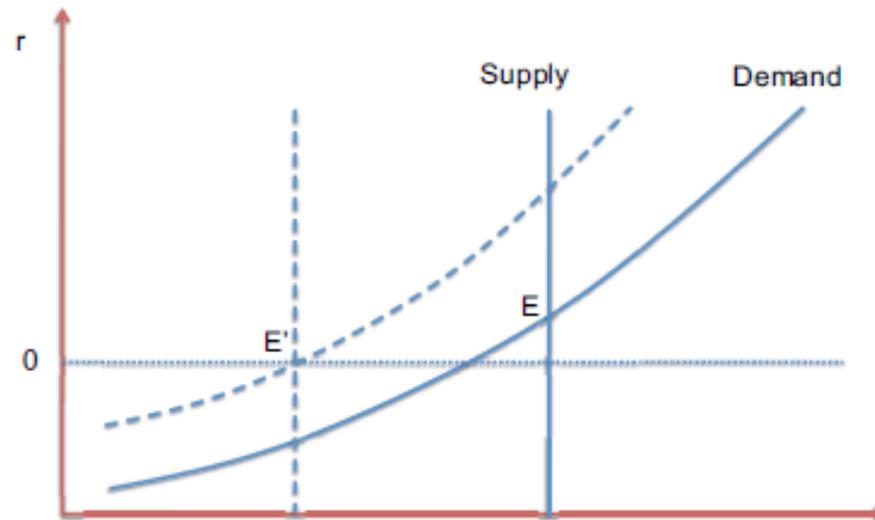
Baseline trend vs. historical norm vs. Investment Plan EU-28, in 2013 prices (in billions of euros)



Source: DG ECFIN, AMECO database

The safety trap

Supply and demand for safe assets as a function of the real interest rate



Notes: The initial equilibrium is at point E . The dashed lines illustrate how an exogenous reduction in the supply of safe assets pushes the economy against the zero lower bound. Equilibrium is restored at point E' by an endogenous reduction in the demand for safe assets associated with a recession.

Eurozone Imbalances

Figure 1 Co-occurrence of net capital inflows and deteriorating total factor productivity.

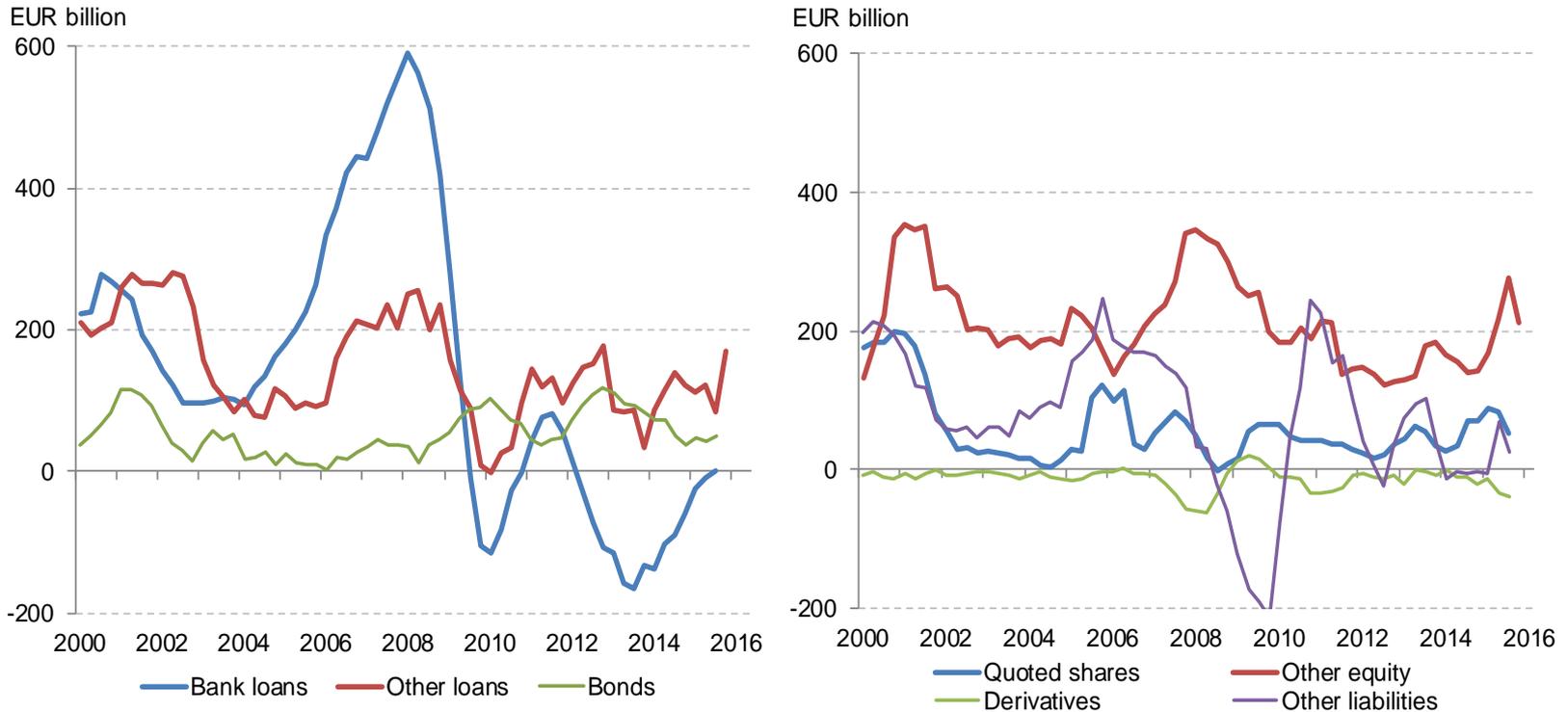


CSR : continuous monitoring

| | Bank restructuring | Indebtedness | Asset quality | Access to finance |
|---------|--------------------|--------------|---------------|-------------------|
| BE | ● | | | |
| BG | ● | | ● | |
| DE | ○● | | | |
| IE | ○● | | ○● | ○ |
| ES | ○ | | ○ | ○ |
| HR | ● | | ○● | |
| IT | ○● | | ○● | ○ |
| CY | ● | | ● | ● |
| LT | | | | ● |
| HU | ○ | | ○ | ○ |
| MT | | | | ○ |
| NL | ● | ○● | | |
| AT | ○ | | | |
| PT | ○ | ○ | ○● | ○● |
| RO | ● | | | |
| SI | ○● | | ○● | ● |
| SE | | ○● | | |
| UK | | ○ | | ○ |
| Legend: | | ○ -2014 | | ● -2016 |

Misallocation of Resources?

Chart 2.13: Dynamics in NFCs' sources of funding (liabilities) in the euro area



Source: ECB, Eurostat and own calculations

Misallocation of Resources?

