

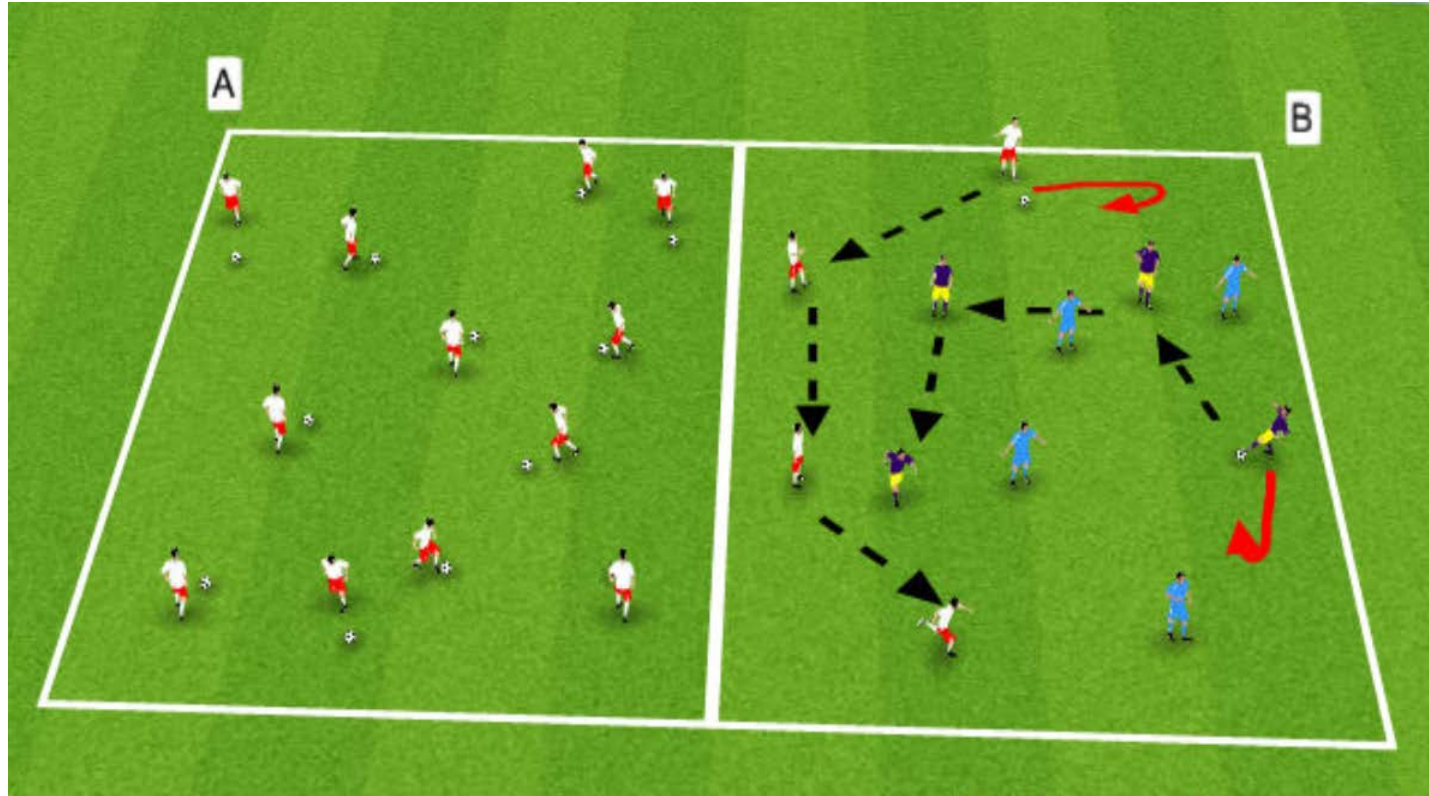
Europe's Role in a Changing World

Beatrice Weder di Mauro

Annual Research Conference
DG ECFIN, Brussels, Nov 2019



The old and the new normal ?



The old and the new normal ?



So what follows?

Size matters

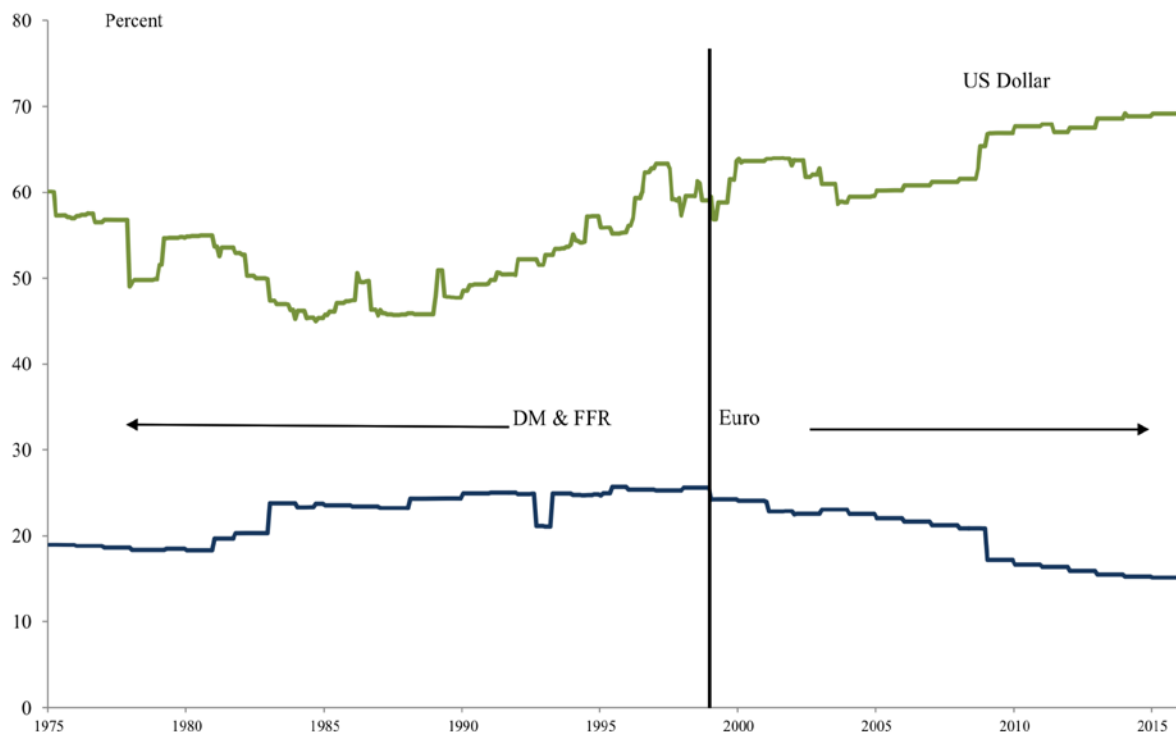
Europe as economic giant

...

Punching below its weight

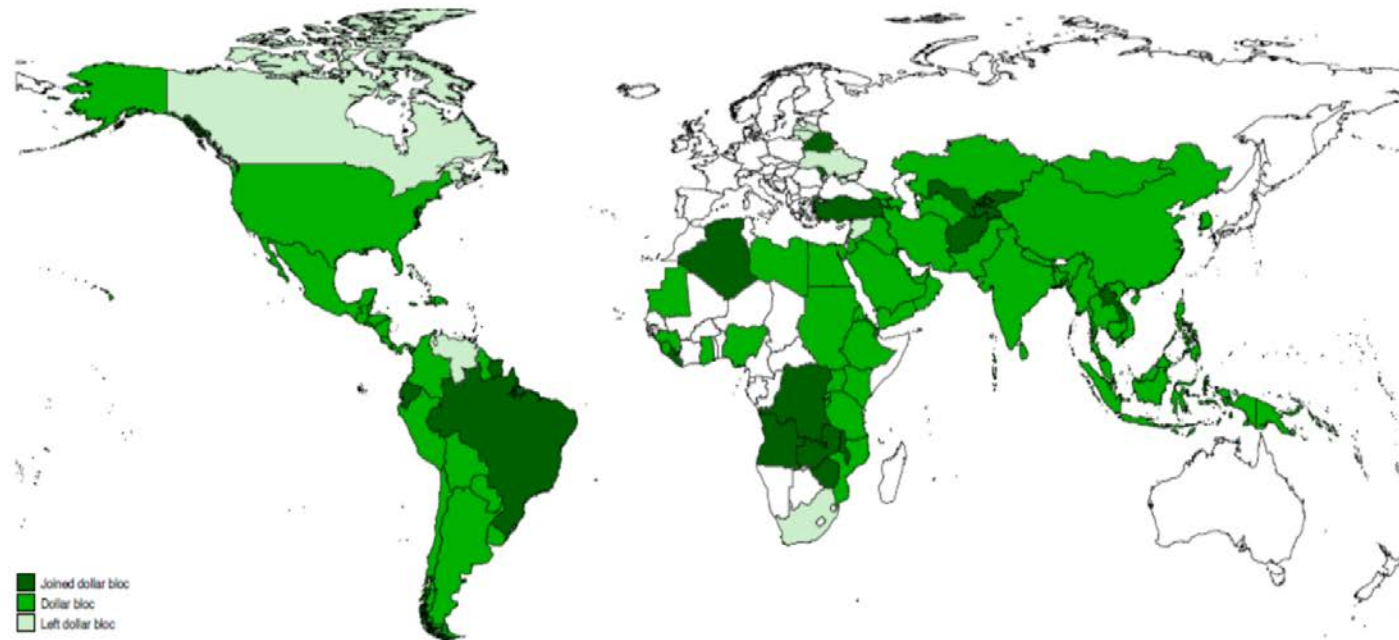
The old is the new anchor / Euro punching below its weight

Dollar and Euro as Anchor Currencies



Share of countries anchored to the dollar and euro by their **share in world GDP**, 1975-2015

The USD anchor 1999-2016



ILZETZKI, REINHART AND ROGOFF: EURO PUNCHING

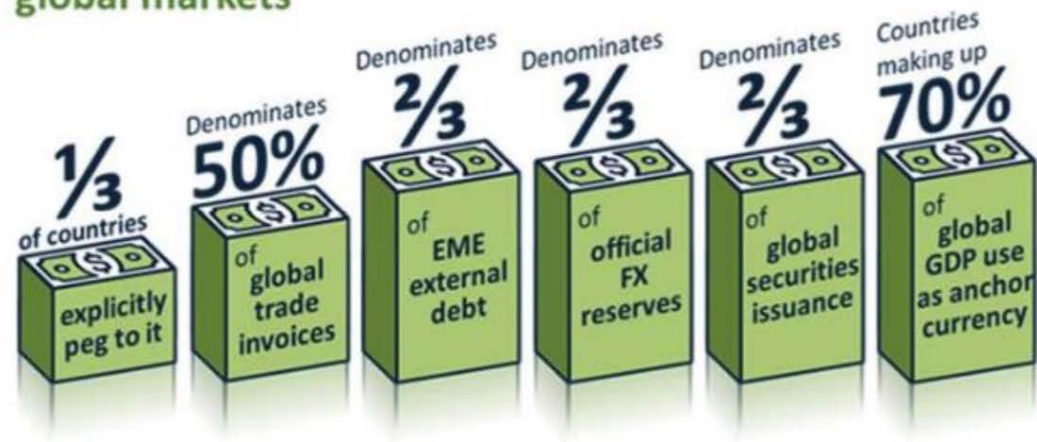
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The USD anchor 1999-2016

US share of the global economy

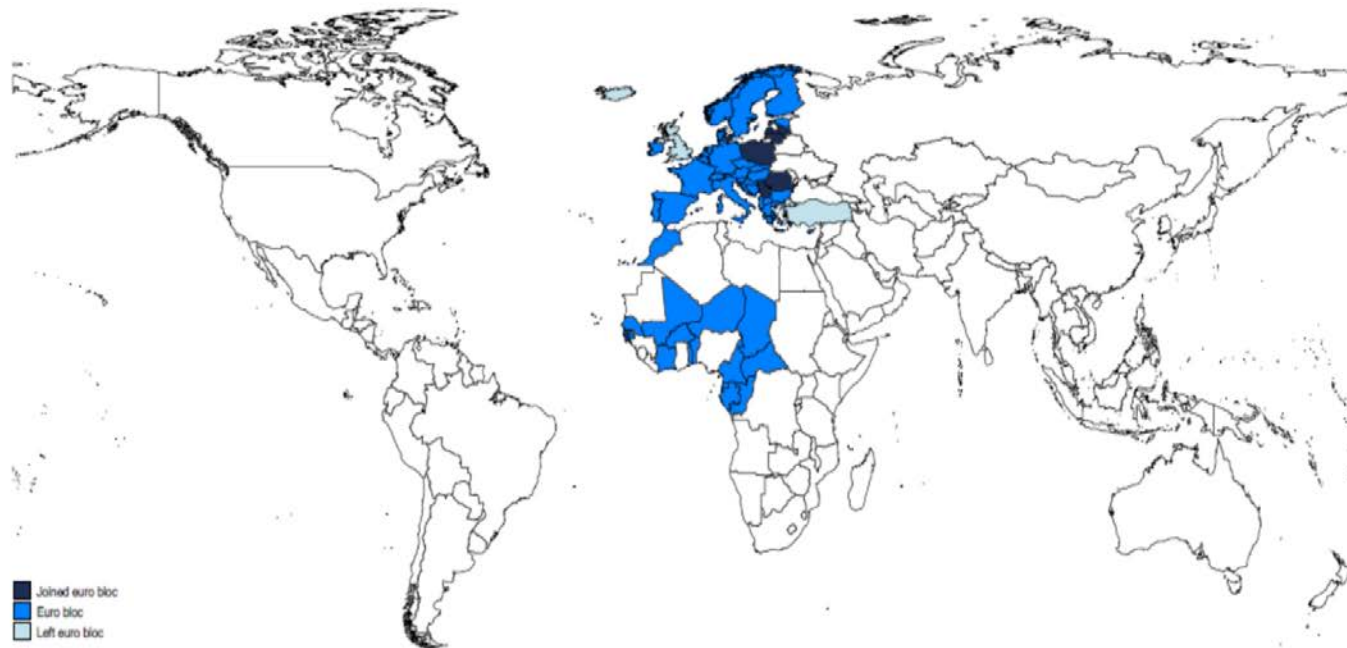


US dollar share of global markets



Carney 2019

The Euro anchor 1999-2016

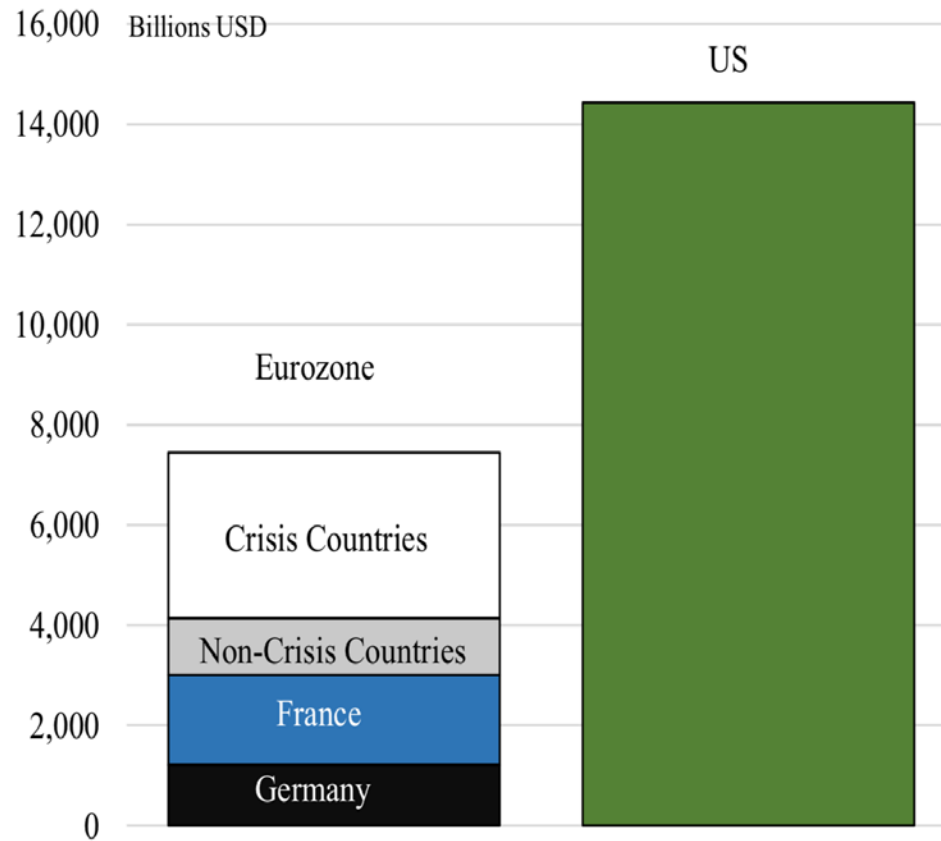


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Euro safe assets

Figure VII. Marketable Debt Outstanding, 2018



The incomplete reform agenda to make the Euro a safe haven currency

1. The financial package

- EDIS
- Doom loop
- Safe asset, SBBS

2. The fiscal package

- Unemployment Re-insurance
- Meaningful fiscal capacity
- Financing European public goods

Thank you