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PDM NETWORK *Newsletter*

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This bimonthly newsletter lists all papers, reports, courses and other events concerning public debt management recently uploaded by the PDM Network Secretariat in the site www.publicdebtnet.org. The documents which the PDM Network Secretariat have found most interesting are highlighted with a grey background.
The PDM Network Newsletter is published on January, March, May, July, September and November.
The PDM Network Secretariat welcomes cooperation on information published on the website. Please feel free to **suggest any documents, news and events** that you think are relevant to the management of public debt at the following email address: publicdebtnet.dt@tesoro.it.

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Highlight

Save the date: Join the Public Debt Management Conference in Paris on September 4-5, 2019
Italian Treasury – OECD – World Bank Public Debt Management Network
The Public Debt Management Network is pleased to announce the first Public Debt Management Conference. It will be held on September 4-5, 2019 at the OECD's Headquarters in Paris, France.
In an environment of high debt burdens and tighter financial conditions, the conference aims at promoting dialogue among policy makers, academics and market practitioners to encourage knowledge sharing and dissemination of best practices in public debt management. A formal invitation and registration package will follow. Read more TAGS: Debt Policy; Debt and fiscal/monetary policies; Sovereign debt market; Cost and Risk; Sovereign ALM; Contingent Liabilities; OECD; World Bank; PDM network

Special Focus

GDRM Program Phase I Completion Report

The World Bank Treasury

This report was prepared by the World Bank Treasury – Government Debt and Risk Management Program (GDRM) team, drawing on inputs from World Bank country teams, Swiss State Secretariat for Economic Affairs (SECO) country teams, and government counterparts from the countries participating in the GDRM Program. As the first phase of GDRM comes to an end, this report celebrates its achievements. From Colombia, South Africa, and Vietnam to Ghana, Indonesia, and Serbia, sophisticated skills and tools have been developed to manage their debts in a more strategic, less volatile, less risky, less costly, and more transparent way. **Read more TAGS: GDRM Program; World Bank; Debt Policy; Cost and Risk**

OECD Sovereign Borrowing Outlook 2019

OECD

The OECD Sovereign Borrowing Outlook provides regular updates on trends and developments associated with sovereign borrowing requirements, funding strategies, market infrastructure and debt levels from the perspective of public debt managers. The Outlook makes a policy distinction between funding strategy and borrowing requirements. The central government marketable gross borrowing needs, or requirements, are calculated on the basis of budget deficits and redemptions. The funding strategy entails decisions on how borrowing needs are going to be financed using different instruments and which distribution channels are being used. This edition provides data, information and background on sovereign borrowing needs and discusses funding strategies and debt management policies for the OECD area and country groupings. In particular, it examines: gross borrowing requirements; net borrowing requirements; central government marketable debt; interactions between fiscal policy, public debt management and monetary policy; funding strategies, procedures and instruments; liquidity in secondary markets; and changes in the investor base.

Read more TAGS: OECD; Debt Policy; Debt Statistics; Debt and fiscal/monetary policies; Primary market; Secondary Markets

Webinar on Long-term bonds: different ways to support - and benefit from - pensions' needs

World Bank

Lengthening the maturities of public debt portfolio to mitigate refinancing risk has always been a challenge in many developing countries. The usual constraint to achieve higher average time to maturity through the issuance of long-term bonds resides on the low diversification of the investor base and on the under-representativeness of pension funds and insurance companies. Managing long-term liabilities, pension funds and insurance companies in the annuity business have the ability and the desire to invest in these long-dated securities in a way to mitigate credit and reinvestment risks. **Read more TAGS: Debt policy; Cost and Risk; Primary market; Bond market development**

Documents

Debt Policy

Debt in Low-Income Countries Evolution, Implications, and Remedies (2019)

Sebastian Essl, Sinem Kilic Celik, Patrick Kirby, Andre Proite - World Bank

Debt vulnerabilities in low-income countries have increased substantially in recent years. Since 2013, median government debt has risen by about 20 percentage points of gross domestic product and increasingly comes from non-concessional and private sources. As a result, in most low-income countries, interest payments are absorbing an increasing proportion of government revenues. The majority of low-income countries would be hard hit by a sudden weakening in trade or global financial conditions given high levels of external debt, lack of fiscal space, low foreign currency reserves, and undiversified exports. A proactive effort to identify and reduce debt-related vulnerabilities is a priority for many low-income countries. Policy makers should focus on mobilizing domestic resources, improving debt transparency, and strengthening debt management practices. These efforts should be complemented by measures to strengthen fiscal frameworks, improve the efficiency of public expenditures and public investment management, and develop domestic financial systems. **TAGS:** Debt Policy; Transparency; Debt and fiscal/monetary policies

Is China Helping Africa? Growth and Public Debt Effects of the Subcontinent's Biggest Investor (2019)

Indermit S. Gill, Kenan Karakulah - World Bank

Because of the lack of reliable data, it is difficult to reliably answer the questions that many people are asking about China's activities in Africa: are the modes and magnitudes of Chinese finance creating unsustainable public finance and economic trajectories and — if they are — whose fault is it? Based on the available information and a rough analysis of the match between China's activities and Africa's development demands, the authors conclude that Chinese finance appears to have helped development on the subcontinent and has not — by itself — jeopardized its public finances: while public debt to GDP ratios have risen in the top ten recipients of Chinese loans, debt to China is generally a small portion of their external public debt. But China's role in the debt dynamics of some of these countries — that is, the speed at which their external public debt is growing — provides more reason to worry. **TAGS:** Debt Policy; Debt and growth; Financial stability; Debt sustainability

Cost and Risk

Public debt and the risk premium: A dangerous doom loop (2019)

Cinzia Alcidi, Daniel Gros – CEPS

The current environment of low to 'ultra-low' interest rates fosters the view that 'deficits do not matter'. However, debt does matter. Countries with high debt levels often pay a risk premium. The combination of a high debt level with a high risk premium creates self-reinforcing loops. Italy represents a telling example of a negative loop whereby a high debt level, combined with increasing deficits, leads to a higher risk premium and hence higher refinancing costs. Portugal provides the opposite example. A moderate reduction in fiscal deficits has so much improved the outlook for future debt levels that the risk premium has fallen to less than one half of the Italian level, thus reducing the interest payment burden and debt. Low interest rates tempt high debt countries to accumulate further debt. This temptation should be resisted, as the true cost of debt is much

higher than perceived. **TAGS: Cost and Risk; Sovereign bonds yields; Sovereign risk premia**

Measuring connectedness of euro area sovereign risk (2019)

Rebekka Buse, Melanie Schienle - Karlsruhe Institute for Technology, Institute of Economics (ECON), Econometrics and Statistics

The authors introduce a method for measuring default risk connectedness of euro zone sovereign states using credit default swap (CDS) and bond data. The connectedness measure is based on an out-of-sample variance decomposition of model forecast errors. Due to its predictive nature, it can respond more quickly to crisis occurrences than common in-sample techniques. The authors determine sovereign default risk connectedness with both CDS and bond data for a more comprehensive picture of the system. They found evidence that several observable factors drive the difference of CDS and bonds, but both data sources still contain specific information for connectedness spill-overs. Generally, they can identify countries that impose risk on the system and the respective spill-over channels. In their empirical analysis the authors cover the years 2009-2014, such that recovery paths of countries exiting EU and IMF financial assistance schemes and responses to the ECB's unconventional policy measures can be analysed. **TAGS: Cost and Risk; Sovereign CDS; Sovereign defaults**

Primary Markets

Issuing International Bonds: A Guidance Note (2019)

Patrick B. G. van der Wansem, Lars Jessen, Diego Rivetti - World Bank

Financial conditions in recent years have provided developing countries with unprecedented opportunities to tap international bond markets, increasing access to commercial debt financing. On that background, developing countries are broadening the range of debt instruments employed in implementing debt management strategies, and this has changed the risk profile of their public debt portfolios. The target audience of this Discussion Paper is the sovereign debt manager, with a special focus on first time/infrequent issuer in Low Income Developing Countries. The Guidance Note does not discuss whether countries should issue international bonds or not, but, rather, focus on the process of issuing such instruments, given the lack of objective and independent guidance available for issuers. The note outlines a step by-step process and provides practical advice. **TAGS: Primary market; Foreign Debt; Best Practices**

Secondary Markets

Credit risk-taking and maturity mismatch: the role of the yield curve (2019)

Giuseppe Ferrero, Andrea Nobili and Gabriele Sene - Bank of Italy

Large-scale asset purchases by central banks have progressively reduced the slope of the risk-free yield curve, thus lowering banks' net interest margin. This could have induced banks to extend credit to riskier borrowers, increasing concerns about financial stability. This analysis empirically tests this hypothesis by analysing new loans granted to a large sample of firms between 2005 and 2016. A flattening of the yield curve is associated with a reduction in the share of loans with a higher counterparty risk. Monetary policy measures that aim to reduce long-term rates are, therefore, able to stimulate economic activity without increasing banks' credit risk. **TAGS: Secondary Markets; Sovereign bonds yields; Debt and fiscal/monetary policies; Financial stability**

Bond risk premia and the exchange rate (2019)

Boris Hofmann, Ilhyock Shim, Hyun Song Shin - Bank for International Settlements

In emerging market economies, currency appreciation goes hand in hand with compressed sovereign bond spreads, even for local currency sovereign bonds. This yield compression comes from a reduction in the credit risk premium. Crucially, the relevant exchange rate involved in yield compression is the bilateral US dollar exchange rate, not the trade-weighted exchange rate. Their findings highlight endogenous co-movement of bond risk premia and exchange rates through the portfolio choice of global investors who evaluate returns in dollar terms. **TAGS: Secondary Markets**; **Sovereign risk premia**; **Foreign Debt**

Subnational Debt

On Rank-Size Distribution of Local Government Debt (2019)

Thitithep Sitthiyot - Chulalongkorn University

Rank-size distributions of local government debt, regardless of the way in which data is categorized, namely, regions, types, or all local governments, are found not to be normally distributed but consistent with a mathematical principle known as power law. This implies that local government borrowings resemble complex adaptive system in a sense that they are self-organized and have positive feedbacks among each other, which could reach a critical point, causing a local government debt crisis that eventually may disrupt government's fiscal and financial status as well as a country's economic system. This kind of event is extremely difficult to predict in advance because it is an emergent phenomenon and scale-invariance. One cannot really tell beforehand what type or size of local government debt, or which local government would cause such a crisis. Therefore, rules and regulations designed to regulate and monitor local government borrowings, as well as manage risk of local government debt should emphasize on mitigation measure in addition to disciplinary measures. This study proposes a rule that requires each local government to maintain enough reserves so that it can service its debt. The rationale is that, in time of local government debt crisis, local government, indirectly affected by such a crisis, may encounter a problem of liquidity shortage and therefore not be able to pay principle and/or interest to its creditors. Having this mitigation measure in place therefore should not only lower the probability of local government debt's default but also help build trust in the system. **TAGS: Subnational debt**; **Debt sustainability**

Financial Analysis

Official demand for US debt: implications for US real rates (2019)

Iryna Kaminska, Gabriele Zinna - Bank of England, Bank of Italy

The authors estimate a structural term-structure model of US real rates, where arbitrageurs accommodate demand pressures exerted by domestic and foreign official investors. Official demand affects rates by altering the aggregate price of duration risk, and thereby bond risk premiums. While foreign central banks' demand contributed to reduce long-term real rates mainly in the years prior to the global-financial crisis, the Federal Reserve's demand lowered rates during the QE period. Overall, the two-factor model, augmented to account for changing liquidity conditions, offers a good representation of real rates during the 2001–2016 period; however, the authors flag some caveats and possible extensions. **TAGS: Financial Analysis**; **Sovereign risk premia**

The determinants of Sovereign Risk Premium in African Countries (2019)

Jane Mpapalika, Christopher Malikane - University of the Witwatersrand

This paper investigates the determinants of the sovereign risk premium in African countries. The authors employ the dynamic fixed effects model to determine the key drivers of sovereign bond spreads. Country-specific effects are fixed and the inclusion of dummy variables using the Bai–Perron multiple structural break test is significant at a 5% level. For robustness, the time-series generalized method of moments (GMM) is used where the null hypothesis of the Sargan Test of over-identifying restrictions (OIR) and the Arellano–Bond Test of no autocorrelation are not rejected. This implies that the instruments used are valid and relevant. In addition, there is no autocorrelation in the error terms. Their results show that the exchange rate, Money supply/GDP (M2/GDP) ratio, and trade are insignificant. Furthermore, their findings indicate that public debt/GDP ratio, GDP growth, inflation rate, foreign exchange reserves, commodity price, and market sentiment are significant at a 5% and 10% level. **TAGS:** **Debt sustainability**; **Sovereign risk premia**; **Financial stability**

The interactions and trade-offs of sovereign credit default swap (cds) and bond spreads in a dynamic context (2018)

Ioannis A. Tampakoudis, Andrius Tamošiūnas, Demetres N. Subeniotis, Ioannis G. Kroustalis - University of Macedonia, Thessaloniki, Greece Department of Management, Vilnius Gediminas Technical University, Lithuania

This study provides a dynamic analysis of the lead-lag relationship between sovereign Credit Default Swap (CDS) and bond spreads of the highly indebted southern European countries, considering an extensive time sample from the period before the global financial crisis to the latest developments of the sovereign indebtedness in the euro area. The authors employ an integrated price discovery methodology on a rolling sample, with the intention of investigating the efficient pricing of credit risk in the CDS and bond markets and the possibility of CDS spreads causing rises in bond spreads. In addition, the authors attempt to depict the evolution of the price discovery process regarding the direction of influence from one market to the other. The rolling window analysis verifies that the price discovery process evolves over time, presenting frequent alternations concerning the leading market. The authors find that during periods of economic turbulence the CDS market leads the bond market in price discovery, incorporating the new information about sovereign credit risk faster and more efficiently than the bond market does. This regularity should be seriously considered by private and public participants as they make investment and funding decisions. Therefore, the motivation of their paper is to identify the dominant market in terms of price discovery during a period of economic turmoil and, thus, to provide insights for decision making to investment bodies and central governments. **TAGS:** **Financial Analysis**; **Debt crisis**; **Sovereign CDS**; **Sovereign debt market**; **Sovereign bonds yields**; **Sovereign risk premia**

Price and size discovery in financial markets: evidence from the U.S. Treasury Securities Market (2018)

Michael Fleming, Giang Nguyen - Federal Reserve Bank of New York

Authors study the workup protocol, an important size discovery mechanism in the U.S. Treasury securities market. They find that shocks in workup order flow explain 6-8 percent of the variation of returns on benchmark notes and, across maturities,

contribute 10 percent to the variation of the yield curve level factor. Information related to proprietary client order flow is more likely to show up in workup trades, whereas information derived from public announcements is more likely to come through pre-workup (or “lit”) trades. Their findings highlight how the nature of information affects the trade-off between speed and execution price as informed traders choose between the lit and workup channels […]**TAGS:** **Financial Analysis**; **Market Liquidity**; **Sovereign bonds yields**

Debt Crisis

Signaling systemic risk **(2019)**

Ralph Sueppel - SRSV Ltd Systemic Risk and Systematic Value

Systemic financial crises arise when vulnerable financial systems meet adverse shocks. A systemic risk indicator tracks the vulnerability rather than the shocks (which are the subject of ‘stress indicators’). A systemic risk indicator is by nature slow-moving and should signal elevated probability of financial system crises long before they manifest. A recent ECB paper proposed a practical approach to building domestic systemic risk indicators across countries. For each relevant categories of financial vulnerability, one representative measure is chosen on the basis of its early warning qualities. The measures are then normalized and aggregated linearly. In the past, aggregate systemic risk indicators would have shown vulnerability years ahead of crises. They would also have indicated the depth of ensuing economic downturns. **TAGS:** **Debt crisis**; **Financial Analysis**; **Cost and Risk**

Is Greece’s Exit From the Rescue Programmes Successful? Lessons for Bulgaria **(2019)**

Daniela Bobeva - Bulgarian Academy of Sciences

The literature dedicated to the impact of Greek crisis on European economy focuses mainly on the fiscal and debt aspects. Regional and bilateral effects are not in the focus. This article offers a non-conventional diagnosis of the causes and nature of Greek crisis as a result of structural rather than fiscal factors, as more European than specific Greek crisis. The author argues that the European lessons from this case are not well perceived and learned. The article analyses the state of Greek economy after the completion of the rescue programmes and the challenges ahead that may further affect the neighbouring countries and particularly Bulgaria. The Greek economy lost its role as an important driver for economic growth and reforms before the crisis in the region. The study identifies the main channels through which both positive and negative impulses to the neighbouring economies occur. **TAGS:** **Debt crisis**; **Structural policies**

Is Africa Headed For Another Debt Crisis? Assessing Solvency in a Sluggish Subcontinent **(2019)**

Indermit S. Gill, Kenan Karakulah - World Bank

Several African countries are headed into another debt crisis, just a decade or so after their slates had been wiped clean by debt relief. This is based on an assessment of country-specific debt dynamics: the debt to GDP ratios, the rate of growth of debt, the terms at which debt is being contracted relative to economic growth rates, and the willingness of governments to run primary budget surpluses if necessary. **TAGS:** **Debt crisis**; **Debt relief**; **Debt sustainability**

International and Macroprudential Regulations

Banking regulation with risk of Sovereign Default (2019)

Pablo D'Erasmo, Igor Livshits, Koen Schoors - Federal Reserve, Bank of Philadelphia Research Department, Ghent University

Banking regulation routinely designates some assets as safe and thus does not require banks to hold any additional capital to protect against losses from these assets. A typical such safe asset is domestic government debt. There are numerous examples of banking regulation treating domestic government bonds as "safe," even when there is clear risk of default on these bonds. The authors show, in a parsimonious model, that this failure to recognize the riskiness of government debt allows (and induces) domestic banks to "gamble" with depositors' funds by purchasing risky government bonds (and assets closely correlated with them). A sovereign default in this environment then results in a banking crisis. Critically, the authors show that permitting banks to gamble this way lowers the cost of borrowing for the government. Thus, if the borrower and the regulator are the same entity (the government), that entity has an incentive to ignore the riskiness of the sovereign bonds. The authors present empirical evidence in support of the key mechanism they are highlighting, drawing on the experience of Russia in the run-up to its 1998 default and on the recent Eurozone debt crisis. **TAGS:** **International and Macroprudential Regulations**; **Sovereign defaults**; **Debt crisis**; **Financial stability**; **Sovereign debt exposure**; **Sovereign risk premia**

Contract Standards

Fourth progress report on inclusion of enhanced contractual provisions in international sovereign bond contracts (2019)

IMF - Legal Department and Monetary and Capital Markets Department

This paper provides an update on the inclusion of the enhanced clauses in international sovereign bonds, and suggests that regular periodic updates can now be discontinued. The results are very similar to those in the previous progress report (the 2017 paper). Section II reports on the inclusion of these provisions, finding that the vast majority of issuances include them, with only a few countries continuing to stand out against the market trend. The section also provides an update on the outstanding stock of international sovereign bonds, showing that the percentage of the outstanding stock with enhanced clauses is increasing, but a significant percentage of the stock still does not include these clauses and little action has been taken by sovereign issuers to increase the rate of turnover. Section III reports on the use of different bond structures. Section IV describes other developments and proposes that future updates be prepared as needed rather than periodically given that the inclusion of enhanced clauses has become the norm for international sovereign bond issuances. **TAGS:** **Contract standards**; **Foreign Debt**; **Debt Statistics**;

When Governments Promise to Prioritize Public Debt: Do Markets Care? (2019)

Mitu Gulati, Ugo Panizza, W. Mark C. Weidemaier, Gracie Willingham - Duke University Law School, Graduate Institute, Geneva, University of North Carolina School of Law, Duke University Law School

During the European sovereign debt crisis of 2011-13, some nations faced with rising borrowing costs adopted commitments to treat bondholders as priority claimants. That is, if there was a shortage of funds, bondholders would be paid first. In this article, the authors analyze the prevalence and variety of these types of commitments

and ask whether they impact borrowing costs. They examine a widely-touted reform at the height of the Euro sovereign debt crisis in 2011, in which Spain enshrined in its constitution a strong commitment to give absolute priority to public debt claimants. The authors find no evidence that this reform had any impact on Spanish sovereign bond yields. By contrast, their examination of the U.S. Commonwealth of Puerto Rico suggests that constitutional priority promises can have an impact, at least where the borrower government is subject to supervening law and legal institutions. **TAGS:** Contract standards; Debt crisis; Debt sustainability; Sovereign risk premia

Debt Restructuring

Restructuring Italian (or Other Euro Area) Debt: Do Euro CACs Constrain or Expand the Options? (2019)

Mark C. Weidemaier - University of North Carolina School of Law

This paper examines the intersection between two fundamental attributes of Euro Area sovereign debt. The first is that sovereigns tend to issue bonds governed by their own law, which makes a debt restructuring comparatively easy. The second is the standardized collective action clause (CAC) mandated for most sovereign bonds by the treaty establishing the European Stability Mechanism. These Euro CACs let a bondholder supermajority approve a debt restructuring in a vote that binds dissenters. How Euro CACs interact with local law advantage is one of the central legal uncertainties affecting debt restructuring in the Euro Area. History teaches that borrower governments can easily restructure local-law debt. But this intuition co-exists with a widespread sense that Euro CACs make it harder for governments to exploit the benefits of local law. Using a hypothetical Italian debt restructuring as an example, this paper explains why Euro CACs do not, in fact, materially constrain a sovereign's ability to change its local law to facilitate restructuring. Put simply: From a restructurer's perspective, Euro CACs are the safe option, not the only one. A restructuring conducted via the CAC will leave no holdouts and will survive almost any legal challenge. But a sovereign that has issued local-law debt remains free to alter its law to facilitate restructuring, although it will encounter various legal constraints in doing so. These constraints, however, are not absolute; there is room for the prudent exercise of local law advantage. The paper closes by discussing implications for current reform efforts in the Euro Area, including efforts to revise the Euro CAC template. **TAGS:** Debt Restructuring; Contract standards

Venezuela's Restructuring: A Path Forward (2019)

Richard Cooper - Cleary Gottlieb Steen & Hamilton LLP

Interim President Juan Guaidó and the National Assembly have begun the process of preparing Venezuela for the transition from a failed state to a functioning state. Among the most urgent tasks facing a new Venezuelan government will be, of course, measures to address the humanitarian crisis and securing the needed funding for these efforts without delay. A second order of concern, but one that must be addressed early on, is the treatment of Venezuela's more than $175 billion of external financial obligations, virtually all of which are in default. Building on the framework that the authors developed in 2017, this article sets forth a roadmap for a realistic and comprehensive debt restructuring process for both Petróleos de Venezuela, S.A. ("PDVSA") and the Republic. The framework the authors sets forth has as its objectives to

address all significant classes of external debt of PDVSA and the Republic; to establish a process for Venezuela and its creditors to reach decisions by negotiation and consensus; to eliminate (where possible) and to limit (where it is not) the threat posed by holdout creditors; to recapitalize PDVSA on a stand-alone basis so it can position itself for new investment and renewed access to international markets; to provide tools to recover the vast sums stolen from the State through fraudulent and criminal acts and to terminate executory contracts that contain disadvantageous terms entered into during the Maduro regime; and to reorganize the public finances of Venezuela so that its external debt (including any newly issued contingent obligations) is sustainable. Recognizing the different characteristics and challenges that each of PDVSA and the Republic face, the authors offer up a path forward that seeks to utilize both traditional and non-traditional sovereign restructuring techniques and apply them in a manner so as to maximize the prospects for a successful restructuring. **TAGS:** **Debt Restructuring**; **Debt crisis**

Costs of Sovereign Defaults: Restructuring Strategies, Bank Distress and the Capital Inflow-Credit Channel **(2019)**

Tamon Asonuma, Marcos Chamon, Aitor Erce, Akira Sasahara - International Monetary Fund, European Stability Mechanism, University of Idaho

Sovereign debt restructurings are associated with declines in GDP, investment, bank credit, and capital flows. The transmission channels and associated output and banking sector costs depend on whether the restructuring takes place preemptively, without missing payments to creditors, or whether it takes place after a default has occurred. Post-default restructurings are associated with larger declines in bank credit, an increase in lending interest rates, and a higher likelihood of triggering a banking crisis than pre-emptive restructurings. Authors' local projection estimates show large declines in GDP, investment, and credit amplified by severe sudden stops and transmitted through a "capital inflow-credit channel". **TAGS:** **Debt Restructuring**; **Sovereign defaults**

The Sovereign Debt restructuring process **(2018)**

Lee Buchheit, Guillaume Chabert, Chanda DeLong, Jeromin Zettelmeyer - Cleary Gottlieb Steen & Hamilton LLP, Ministry for the Economy and Finance, France, International Monetary Fund, Peterson Institute for International Economics

This Chapter discusses the process of restructuring a sovereign's debt once this step becomes unavoidable. All sovereign debt workouts are painful – for the debtor country, its citizens, its creditors and its official sector sponsors. If mishandled, a sovereign debt workout can be incandescently painful. A mangled debt restructuring can perpetuate the sense of crisis for years, sometimes even for decades. A return to normal economic activity may be delayed, credit market access frozen, trade finance unavailable, capital flight endemic, financial sector instability chronic and foreign direct investment withered. Adding to this inherent difficulty, sovereign debt crises rarely come in isolation. They are often the cause of, or are caused by, or at the very least are accompanied by, political crises, banking crises, social crises. **TAGS:** **Debt Restructuring**; **Debt sustainability**; **Debt crisis**

Investor Relations and Rating Agencies

The Benevolence of Time, Sound Macroeconomic Environment and Governance Quality on the Duration of Sovereign Ratings Phases (2019)

Luca Agnello, Vitor Castro, Ricardo Sousa - University of Palermo, Loughborough University, European Stability Mechanism

Using long-term sovereign ratings data for a panel of 130 countries over the last three decades, the authors rely on discrete-time Weibull models to investigate the duration and determinants of sovereign ratings phases. The authors find that the likelihood of the end of the 'speculative-grade' phase increases as time goes by (i.e. positive duration dependence), but the 'investment-grade' phase is not duration dependent. Thus, for sovereigns rated as speculative, the build-up of reputation as good borrowers is a gradual process, whereas the reputation of investment-grade sovereigns solidifies and remains unchanged as time passes. However, the length of both phases has proven to be significantly dependent on the country's economic conditions and the quality of governance. In particular, lower inflation, better economic performance and sounder fiscal policies shorten (prolong) the speculative- (investment-) grade phase. In addition, a better perception of the quality of public services and the ability of the government to formulate and implement sound policies and regulations help to reduce the duration of speculative-grade phases. **TAGS:** **Sovereign Credit Ratings**; **Financial stability**

Macroeconomic Analysis

Does China Still Have a Debt Problem? **(2019)**

Alexander B. Hammer, Nabil Abbyad - U.S. International Trade Commission

This briefing explains the origin, rise, and implications of China's persistent domestic debt problem. With its $588 billion economic stimulus package during the 2008-09 global financial crisis, China's government attempted to shore-up domestic infrastructure investment and offset the effects of diminishing global demand for its exports. To do so, Chinese authorities made new capital available and relaxed borrowing requirements for many local firms, most of which were state-owned enterprises (SOEs). These SOEs did not use the newly borrowed capital as efficiently as their private sector counterparts, resulting in overinvestment (e.g., steel and aluminum sectors), low investment returns, and frequent defaults. This misallocation of capital and surging debt in 2009-16 increased China's financial risk exposure and inhibited China's economic growth potential, as funds were increasingly diverted from new investment to debt servicing. Through strict policy measures, Chinese authorities have arrested the growth of debt in 2017, lowering China's high financial risk exposure. However, the persistently large stock of corporate (and now household) debt is still likely to inhibit China's long-term economic growth and affect U.S. firms. **TAGS:** **Debt and growth**; **Debt and fiscal/monetary policies**; **Subnational debt**

Sri Lanka's Macroeconomic Challenges: A Tale of Two Deficits (2019)

Weerakoon Dushni, Kumar Utsav, Dime Roselle - Asian Development Bank

Sri Lanka's macroeconomic landscape has been characterized by fiscal dominance—high deficits and public debt. This has manifested in a high degree of macroeconomic volatility, evidenced by its frequent balance-of-payments crises and instability. The paper provides a narrative of Sri Lanka's history of twin deficits, examines macroeconomic performance from the lens of twin deficits, and discusses the policies adopted to address macroeconomic imbalances. Recent efforts toward a

revenue-based fiscal consolidation have started yielding improvements in the ratio of tax revenue to gross domestic product, and show promise in repairing the fiscal accounts. However, fiscal policy efforts need to be supported by reforms to generate nondebt-creating foreign currency inflows to stabilize the external sector and assist in building up a buffer stock of official foreign exchange reserves. **TAGS:** **Debt and fiscal/monetary policies**

Equilibrium Real Interest Rates and the Financial Cycle: Empirical Evidence for Euro Area Member Countries **(2019)**

Ansgar Belke, Jens Klose - CEPS, Technical University of Central Hesse

The authors estimate the equilibrium real interest rate for nine Euro area member countries and the Euro area as a whole using quarterly data from 1995 to 2015. The authors expand the standard model of estimating real equilibrium interest rates to incorporate the financial cycle for the private sector. The authors show that adding the financial cycle indeed alters the equilibrium real interest rate estimates and, in line with previous studies, that there is a fall in the equilibrium real interest rate over time. Authors' results indicate that in most member countries the real rate is lower than its equilibrium level. Hence, they should not worry about secular stagnation now. This is because secular stagnation is likely to occur when real interest rates are higher than their equilibrium levels. This result can serve as a starting point for further research in this field, e.g. by adding public sector financial cycles or disentangling the roles of households, corporations and the government. **TAGS:** **Financial Analysis**; **Debt and fiscal/monetary policies**; **Sovereign bonds yields**

Aggregate Demand and Sovereign Debt Crises **(2019)**

Francisco Roldán - New York University

Sovereign debt crises are associated with pronounced recessions. In the conventional view, poor economic conditions increase default incentives and hence bond spreads. The author provides evidence suggesting that the reaction of consumption demand creates feedback from sovereign spreads to output even while the government is in good standing with creditors. Because they ignore the savings behavior of private agents, existing models cannot capture this empirical feature of crises. The author studies the implications of this feedback mechanism in a model where the government of a small open economy borrows from foreign lenders but some of the debt is held by domestic savers who are heterogeneous in their wealth. This heterogeneity means that potential sovereign defaults carry redistributive effects in addition to aggregate income losses. Both of these effects introduce risk in private agents' expectations after bad news for repayment. Default risk then exacerbates the precautionary motive of households and depresses aggregate demand when spreads increase. **TAGS:** **Debt crisis**; **Debt and recession**; **Debt sustainability**

Does Public Debt Produce a Crowding Out Effect for Public Investment in the EU? **(2019)**

Mattia Osvaldo Picarelli, Willem Vanlaer, Wim Marneffe - European Stability Mechanism, Hasselt University

This paper exploits a panel dataset for 26 EU countries, between 1995 and 2015, to examine the extent to which increased levels of public debt have led to reduced public investment, the so-called 'debt overhang' hypothesis. To address endogeneity concerns, the authors use an instrumental variable approach based on a GMM

estimation. Authors' results validate the debt overhang hypothesis and remain robust across various estimation techniques. The GMM specification with year dummies indicates that a 1% increase in public debt in the EU brings about a reduction in public investment of 0.03%. Moreover, the authors find evidence that: 1) the results are mainly driven by high-debt countries; 2) the negative impact of debt on investment is slightly smaller in the Eurozone than in the entire EU; 3) both the stock and flow of public debt play a role in reducing public investment with the impact of the latter that is found to be more profound. **TAGS:** **Debt and growth**

Public Debt in a Descriptive Endogenous Growth Model **(2019)**

Alfred Greiner - Bielefeld University

In this paper the authors analyze a descriptive endogenous growth model with public debt. The government can run into debt, but, the primary surplus is a positive function of the debt to GDP ratio such that the debt ratio becomes a mean-reverting process. The authors show that a balanced budget scenario yields a higher long-run growth rate than a scenario with permanent deficits if and only if the public deficit exceeds the net saving out of government bonds. As regards the dynamics, the analysis shows that multiple balanced growth paths can arise. Further, reducing the reaction of the primary surplus to a higher public debt can generate endogenous cycles via a Hopf bifurcation and, for a sufficiently low reaction coefficient, the economy becomes unstable. **TAGS:** **Debt and growth**

New Evidence on Debt as an Obstacle for US Economic Growth **(2019)**

Thomas J. Grennes, Qingliang Fan, Mehmet Caner - North Carolina State University, Xiamen University

The US government debt is now in uncharted waters. From the founding of the nation until 1968, government debt moved up and down without a trend, but over the past 50 years, debt relative to the size of the economy has increased continuously. The United States does not appear to have a coherent debt policy. It is not Greece, and there is no evidence of a likely default on US government bonds in the near future. However, there is evidence that Americans have already borne the costs of high debt levels, and without a reform of policy these costs will continue in the future. Using a new econometric technique for threshold autoregression and a debt measure that includes private debt as well as public debt, the authors estimate that in the period 1995 to 2014, US economic growth was more than 1 percentage point lower than it would have been at a debt level below the threshold. Other Organisation for Economic Co-operation and Development (OECD) countries also had lower growth rates as a result of high debt levels. Many countries have recently adopted some form of fiscal rule, including balanced budgets, intended to limit debt and raise growth rates. Fiscal rules involve a tradeoff between limiting debt and preserving flexibility to respond to economic shocks. In this paper the authors discuss problems related to designing optimal fiscal rules. **TAGS:** **Debt and growth**; **Debt and fiscal/monetary policies**

The elements of Sovereign Debt Sustainability analysis **(2018)**

Martin Guzman - Senior fellow with the Global Economy Program

Debt sustainability analyses (DSAs) are generally done in contexts of distress that feature large revisions of pre-established perceptions. Those contexts are usually largely uncertain. Much of the information from the past becomes obsolete as a guide for forecasting the debtor's payment

capacity. In those environments, there is not an obvious superior approach for assessing sovereign debt sustainability. However, there are elements that must be part of the analysis regardless of the chosen approach. This paper offers clarifications on the foundations of a DSA and the elements that constitute it. It is argued that any framework for DSA must take three elements into account: First, the framework for DSA has to define the relevant constraints for assessing what is a state of sustainable debt. Second, it must define a model for projecting the capacity for stabilizing debt that incorporates the relevant endogenous feedback effects associated with the implementation of fiscal and debt policies. Third, it has to make assumptions about the distribution of shocks that affect the capacity of debt payment and has to deal with the heterogeneity of beliefs that underlie any DSA. The paper discusses the practice of DSA and how those elements are dealt with and analyzes the interplay between those three elements in an analysis of debt sustainability. **TAGS:** **Debt crisis**; **Debt sustainability**; **Debt Restructuring**; **Debt and fiscal/monetary policies**

Economic Policies

ECB policy framework in six basic points **(2019)**

Ralph Sueppel - SRSV Ltd

The European Central Bank is one of the most powerful institutions in the world and is running a particularly complex policy framework. For macro trading and financial modelling, the following points are critical: [1] The primary policy objective is medium-term inflation, with a horizon of two years or more and symmetric aversion to deviations from a mean of just below 2%. [2] In practice, policy rate setting has followed a simple dynamic Taylor-type rule. [3] The operational framework is very broad, with a wide range of counterparties and instruments. [4] The ECB has extensive experience with four types of non-conventional policies (long-term lending operations, asset purchases, negative interest rates, and forward guidance) that jointly exercise powerful influence on financial conditions. [5] The effectiveness ECB policy depends critically on coordinated national fiscal and regulatory policies. [6] Special mechanisms have been put in place to contain redenomination risk, i.e. fears that assets might be redenominated into legacy currencies. **TAGS:** **Debt and fiscal/monetary policies**; **Financial stability**

Dynamic fiscal limits and monetary-fiscal policy interactions **(2019)**

Niccolò Battistini, Giovanni Callegari, Luca Zavalloni - European Central Bank, Central Bank of Ireland

This paper analyzes the impact of monetary policy on public debt sustainability through the lens of a general equilibrium model with fiscal limits. The authors find that the mere possibility of a binding ZLB may have detrimental effects on debt sustainability, as a kink in the Laffer curve induces a dead-weight loss in the present discounted value of future primary surpluses. Moreover, debt sustainability improves with monetary policy activeness, that is, with the elasticity of the interest rate to changes in inflation and the output gap. On this basis, the authors assess the trade-off between economic stabilization and debt sustainability depending on the monetary policy environment. In normal times, large public spending shocks may engender perverse debt dynamics and cause economic contractions. At the ZLB, a muted tradeoff between stabilization and sustainability instead expands the fiscal margin, especially if coupled with a commitment to a more active monetary policy during normal times.

TAGS: **Debt and fiscal/monetary policies**; **Debt sustainability**

Ethiopia's Downgrade to High Risk of Debt Distress: A Policy Framework for the Government **(2019)**

Brian Pinto – Independent

Ethiopia was downgraded to high risk of debt distress in January 2018 based on the Low-Income Country Debt Sustainability Framework (LIC DSF), a finding reaffirmed by the updated 2017 Review of the LIC DSF, which was rolled out in the second half of 2018. This finding illustrates the shortcomings of the LIC DSF, which were supposed to have been addressed by the 2017 Review. The fundamental problem is a continued myopic focus on debt distress in relation to external public debt. In Ethiopia's case — as with most LICs — external debt distress is a symptom of unsustainable public debt dynamics driven by high fiscal deficits that spill over into current account deficits and external debt. Ignoring this fundamental causation results in basic development questions being left off the table. For Ethiopia, these questions include: (a) What would the government's debt dynamics look like in the absence of financial repression and overvalued exchange rates, both of which need to be corrected in order to improve the private investment climate as the Government prepares to hand off the growth baton to the private sector? And (b) will the large public investments in infrastructure pay off in terms of future growth and taxes in order to ensure fiscal solvency? The Government of Ethiopia needs answers to these questions as it implements its growth strategy and pursues its dialogue with donors and the private sector. **TAGS:** **Debt Policy**; **Debt and fiscal/monetary policies**; **Debt sustainability**; **Financial stability**; **Foreign Debt**; **Debt and growth**

Anchor Me: The Benefits and Challenges of Fiscal Responsibility **(2019)**

Serhan Cevik - International Monetary Fund

This paper discusses the benefits and challenges of implementing a rule-based fiscal responsibility framework, using the Philippines as a case study. It estimates structural measures of the fiscal stance over the period 1980–2016 and applies a stochastic simulation model to determine the optimal set of fiscal rules. The empirical analysis indicates that discretionary fiscal policy has been procyclical, and the degree of procyclicality has increased in recent years. While the national government's non-binding ceiling on the overall budget deficit is helpful, it does not constitute an appropriate operational target to guide fiscal policy over the economic cycle and necessarily ensure that the fiscal stance meets the government's intertemporal budget constraint. To this end, using stochastic simulations, this paper makes the case for a well-designed fiscal responsibility law that enshrines explicit fiscal rules designed for countercyclical policy and long-term debt sustainability, and an independent fiscal council to improve accountability and transparency. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**; **Transparency**

Fiscal Policy Multipliers in Small States **(2019)**

Ali Alichi, Ippei Shibata, Kadir Tanyeri - International Monetary Fund

Government debt in many small states has risen beyond sustainable levels and some governments are considering fiscal consolidation. This paper estimates fiscal policy multipliers for small states using two distinct models: an empirical forecast error model with data from 23 small states across the world; and a Dynamic Stochastic General Equilibrium (DSGE) model calibrated to a

hypothetical small state's economy. The results suggest that fiscal policy using government current primary spending is ineffective, but using government investment is very potent in small states in affecting the level of their GDP over the medium term. These results are robust to different model specifications and characteristics of small states. Inability to affect GDP using current primary spending could be frustrating for policymakers when an expansionary policy is needed, but encouraging at the current juncture when many governments are considering fiscal consolidation. For the short term, however, multipliers for government current primary spending are larger and affected by imports as share of GDP, level of government debt, and position of the economy in the business cycle, among other factors. **TAGS:** **Debt and fiscal/monetary policies**; **Debt sustainability**

Indonesia's Public Wealth: A Balance Sheet Approach to Fiscal Policy Analysis **(2019)**

Majdeline El Rayess, Avril Halstead, Jason Harris, John Ralyea, Alexander Tieman - International Monetary Fund

Public sector balance sheets (PSBS) provide a framework for comprehensive and deep analysis of fiscal risks and policies. To illustrate these benefits, this paper shows how PSBS analysis can be applied to assess risks to Indonesia's public sector stemming from its public corporations. The paper also shows that the government's plans to finance a ramp-up in public investment with additional tax revenue increases both economic growth and public wealth. **TAGS:** **Debt and fiscal/monetary policies**

Enabling Deep Negative Rates to Fight Recessions: A Guide **(2019)**

Ruchir Agarwal, Miles S. Kimball - International Monetary Fund, University of Colorado

The experience of the Great Recession and its aftermath revealed that a lower bound on interest rates can be a serious obstacle for fighting recessions. However, the zero lower bound is not a law of nature; it is a policy choice. The central message of this paper is that with readily available tools a central bank can enable deep negative rates whenever needed — thus maintaining the power of monetary policy in the future to end recessions within a short time. This paper demonstrates that a subset of these tools can have a big effect in enabling deep negative rates with administratively small actions on the part of the central bank. To that end, the authors (i) survey approaches to enable deep negative rates discussed in the literature and present new approaches; (ii) establish how a subset of these approaches allows enabling negative rates while remaining at a minimum distance from the current paper currency policy and minimizing the political costs; (iii) discuss why standard transmission mechanisms from interest rates to aggregate demand are likely to remain unchanged in deep negative rate territory; and (iv) present communication tools that central banks can use both now and in the event to facilitate broader political acceptance of negative interest rate policy at the onset of the next serious recession. **TAGS:** **Debt and fiscal/monetary policies**; **Sovereign bonds yields**

The non-standard monetary policy measures of the ECB: motivations, effectiveness and risks **(2019)**

Stefano Neri and Stefano Siviero - Bank of Italy

The paper analyses the challenges faced by the European Central Bank since the outbreak of the global financial crisis and surveys the many studies by economists at Banca d'Italia on the causes of the low inflation environment in 2014 and on the

effects of the ECB's asset purchase programme on financial markets and the real economy. These studies have provided an important contribution in supporting Banca d'Italia's participation in the monetary policy making of the European Central Bank. Between 2008 and 2014, monetary policy measures preserved the correct functioning of the transmission mechanism and helped support the supply of credit to the private sector. The asset purchase programme launched in early 2015 has been effective in combating the risk of deflation by exerting a positive impact on economic activity and inflation in the euro area. **TAGS: Debt crisis; Debt and fiscal/monetary policies; Financial stability**

The two sides of public debt: intergenerational altruism and burden shifting (2018)

Martin Fochmann, Florian Sachs, Abdolkarim Sadrieh, Joachim Weimann - University of Cologne, University of Magdeburg, Germany

In controlled laboratory experiments with and without overlapping generations, the authors study the role of intergenerational altruism in public debt accumulation. Public debt is chosen by popular vote, pays for public goods, and is repaid with general taxes. The authors use an optimal control model to derive a theoretical benchmark. With a single generation, public debt is accumulated prudently. With multiple and over-lapping generations, the burden of debt and the risk of over-indebtedness are shifted to future generations. However the authors find considerably fewer intergenerational fairness concerns than one would expect on the basis of the behavioral and experimental literature. Instead, political debt cycles that vary with voters' age emerge. Debt ceiling mechanisms fail to encourage intergenerational altruism and do not mitigate the problem of burden shifting. **TAGS: Debt sustainability; Financial stability; Debt and fiscal/monetary policies**

Interest rate swap returns: empirical lessons (2018)

Ralph Sueppel - SRSV Ltd

Interest rate swaps trade duration risk across developed and emerging markets. Since 2000 fixed rate receivers have posted positive returns in 26 of 27 markets. Returns have been positively correlated across virtually all countries, even though low yield swaps correlated negatively with global equities and high-yield swaps positively. IRS returns have posted fat tails in all markets, i.e. a greater proclivity to outliers than would be expected from a normal distribution. Active volatility management failed to contain extreme returns. Relative IRS positions across countries can be calibrated based on estimated relative standard deviations and allow setting up more country-specific trades. However, such relative IRS positions have even fatter tails and carry more directional risk. Regression-based hedging goes a long way in reducing directionality, even if risk correlations are circumstantial rather than structural. **TAGS: Financial Analysis; Derivatives**

Multilateral Financing

Once bitten: new evidence on the link between IMF conditionality and IMF stigma (2019)

Irina Andone, Beatrice Scheubel - National Institute of Economic Research, European Central Bank

While the consequences and effectiveness of IMF conditionality have long been the focus of research, the possible negative impact of IMF conditionality on countries' willingness to ask for an IMF programme - often termed `IMF stigma' - has recently received attention particularly from policy

circles. In this paper the authors investigate how countries' past experience with the IMF and their peers' experience with the IMF affect their likelihood of entering a subsequent IMF arrangement. Authors' results indicate that, even when controlling for the success of past programmes, a country is less likely to approach the IMF for help if in the past it experienced an above-average number of disbursement-relevant conditions. They find hardly any impact of peers' experience, except for Asian countries. **TAGS:** **Multilateral financing**; **Debt sustainability**

Reports

Public Debt Management: Is the future closer than we think?

Mats Filipsson - Senior Financial Officer, Sovereign Debt, World Bank Treasury

I'm not a person overly interested in technology. I was still using my 'not smart' phone long after the kids scrapped theirs, thank you very much. So, it took even me by surprise when I became interested in blockchain bond technology. I'm talking about Bond-i, the world's first legally binding bond operated on a global blockchain platform throughout its life cycle, issued by the World Bank Treasury on August 23, 2018.[...] **TAGS:** **Primary market**; **Trading platforms**; **Transparency**; **Bond market development**; **World Bank**

Which debt IT system? A helpful guide for public debt managers

Cigdem Aslan, Shurufa Abdul Wahid, Artan Ajazaj - World Bank

In her blog, Cigdem Aslan discusses the pros and cons about different IT systems in the public debt management sphere and explains the survey results of her recently published paper. As a practitioner with several years of government experience, and later as a public debt management advisor at the World Bank Treasury, she is often faced with these questions from client countries: "Which Public Debt Management IT System is best for our needs?", "Shall we build a software from scratch, or purchase an off-the-shelf system?". [...] **TAGS:** **Accounting, statistics, Reporting and Auditing; Transparency; Debt Statistics; World Bank**

OECD Interim Economic Outlook 2019

OECD

Global growth is slowing after reaching a peak in 2017. Growth continues to decouple: it remains strong in the US, but it starts plateauing. More worryingly, it has markedly slowed in the euro area. Large projection revisions for: Canada; Germany with growth well below 1%; Italy, in recession; the UK, below 1 as well; Turkey, also in recession. And revisions to Germany and Italy are largely responsible for the significant revision to the euro area. **TAGS:** **Economic Forecasts**; **Debt Forecasts**; **Sovereign bonds yields**; **OECD**

National Accounts of OECD Countries, General Government Accounts 2018

OECD

The 2018 edition of National Accounts of OECD Countries, General Government Accounts is an annual publication, dedicated to government finance which is based on the System of National

Accounts 2008 (SNA 2008). It includes tables showing government aggregates and balances for the production.[...] **TAGS:** Debt Statistics; OECD; Accounting, statistics, Reporting and Auditing

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Vade Mecum on the Stability & Growth Pact - 2019 Edition

European Commission

The Vade Mecum is a compiled-style document that brings together all elements relevant to the implementation of the Stability and Growth Pact. In this edition, authors are changing the style of the document with a view to streamlining the information presented and facilitating readability of the explanations of EU rules and of the institutional processes of budgetary surveillance. The streamlining of the document does not mean that the Commission is changing the rules. The document focuses on describing current EU fiscal rules. Technical details for hands-on experts, such as numerical examples and reporting tables, are provided on the Commission's website. Selected relevant economic concepts are recapped in boxes. The purpose of these changes is to make the document accessible, not only for experts and organisations working on public finance issues in Member States but also for non-specialists. **TAGS:** Debt and fiscal/monetary policies; Debt sustainability

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BIS Quarterly Review March 2019 - International banking and financial market developments

BIS

Shifting prospects for growth and monetary policy in major economies dominated market developments during the period under review. In December, investors' concerns that monetary policy would remain on a firmer course, despite a softening global economy, drove risky asset prices sharply lower. Starting in January, an accommodative turn in policy and improved economic signals in the United States lifted those prices again. As 2018 drew to a close, international markets were rattled by growth worries and a renewed focus on policy uncertainty, triggering a flight to safety. Equities fell and corporate spreads widened across the globe. Sovereign yields dropped and curves flattened slightly as term premia slide.[...] **TAGS:** Debt sustainability; Financial Analysis; Financial stability; Secondary Markets; Foreign Debt; International and Macroprudential Regulations; Debt statistics

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April 2019 Global financial stability report. Vulnerabilities in a maturing Credit Cycle

IMF

In this issue of the Global Financial Stability Report authors are introducing a more structured, systematic approach aimed at monitoring financial vulnerabilities. Using data back to 2000 for 29 systemically important economies that account for a significant share of the global economy, authors assess the level of vulnerability across regions and sectors (banks, nonbank financial institutions, sovereigns, firms, and households). This new framework detects elevated financial vulnerability in several sectors around the world, including sovereigns, firms, and nonbank financial institutions. These vulnerabilities could turn into powerful amplification mechanisms if adverse shocks materialize. **TAGS:** Financial stability; Debt sustainability; Accounting, statistics, Reporting and Auditing

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Tackling the Next Wave of Sovereign Debt Crises

IMF

Debt is at record levels in advanced and emerging market economies. 40 percent of low-income countries are wrestling with debt distress or high-risk debt levels. If measures are not put in place to reduce risk, a new and broad-based wave of debt crises could emerge as a major threat for the UN

2030 Agenda for Sustainable Development. In a few countries, a debt crisis has already materialized. Can the current international financial architecture provide prevention and resolution of debt and financial crises? Or does it need to be reformed? **TAGS:** **Debt crisis;** **Debt sustainability;** **Sovereign debt litigation**

ECB Annual Report for 2018

ECB

While the economic expansion in the euro area continued in 2018, the economy experienced a loss of growth momentum. Growth decelerated from 2.5% in 2017 to 1.8% in 2018 as a series of headwinds emerged over the course of the year. A significant weakening of world trade, coupled with a number of country and sector-specific factors, weighed on the external sector and manufacturing in particular.[…] **TAGS:** **Financial stability**; **Debt and fiscal/monetary policies**; **Accounting, statistics, Reporting and Auditing**

The Global Economy: A Delicate Moment

Gita Gopinath – IMF

A year ago, economic activity was accelerating in almost all regions of the world. One year later, much has changed. The escalation of US–China trade tensions, needed credit tightening in China, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018.[…] **TAGS:** **Economic Forecasts;** **Debt and growth;** **Debt sustainability**

How can the fintech revolution benefit capital market development in emerging markets?

World Bank

What opportunities and challenges do changes in financial technologies present for capital markets? How can the benefits of fintech be harnessed for capital market development in ways that support growth in developing countries? What is the role of policy makers, regulators and other market participants? A panel of practitioners, policy makers and experts from across the spectrum—innovators, regulators and market watchers—has taken on these questions during a lively conversation at the IMF-World Bank 2019 Spring Meetings. **TAGS:** **Primary market**; **Secondary Markets**; **Trading platforms**; **Bond market development**

Financial Stability Report No. 1 - 2019

Bank of Italy

The risks to financial stability arising from developments in the world economy are growing; the growth forecasts for 2019 have been revised downward and uncertainty has increased. The more accommodative stance of central banks has been helping to improve financial market conditions since the start of the year. Growth remains weak in Italy and the high level of public debt exposes the economy to market tensions. Though declining, the yields on private sector bonds remain higher on average than those prevailing in the other euro-area countries. The debt repayment capacity of the private sector remains high; it would decline considerably only in the event of a significant deterioration in cyclical conditions associated with a sharp rise in interest rates on loans. Italy's banking system continues to strengthen but profitability remains lower than that for European banks, and weak economic activity could push up credit risk costs again. Insurance companies' solvency ratios have stabilized at levels well above the regulatory minimums, but they remain exposed to the

risks stemming from significant changes in the value of public sector securities. **TAGS:** **Financial Analysis**; **Financial stability**; **Debt sustainability**; **Accounting, statistics, Reporting and Auditing**

It's time to redefine the concept of public debt **(2019)**

Piotr Rosik - FinancialObserver.eu

The scope of the state's activities has been expanding for many years. The growing size of the state apparatus is affecting public finances. The pace at which these changes are taking place is so fast that the vast majority of countries are currently running a public sector deficit. As a result, their debt levels are growing, which is accompanied by an increase in general fiscal risk. Part of this phenomenon is also an increase in hidden (or potential) public debt. This is due to the fact that not all forms of public debt are classified as part of the State Treasury debt or even the so-called EDP debt (the debt of the general government sector). Not all of the processes that lead to an increase in the overall debt level are monitored. This means that the general debt ratio, as presented by finance ministries or central banks, should only be treated as an indicative measure.[…] **TAGS:** **Debt sustainability**; **Debt and fiscal/monetary policies**; **Contingent Liabilities**;: **Accounting, statistics, Reporting and Auditing**

The Perpetuation of Low Global Interest Rates: United States, Euro Zone, and Japan

Tanweer Akram - Thrivent Financial

This presentation looks at global economic conditions and the key drivers of long-term interest rates in the U.S., euro zone, and Japan. In particular: - Long-term interest rates in advanced countries are quite low. In some countries, interest rates are even negative. - Long-term interest rates will remain low in the major advanced countries & regions in 2019 because of several reasons. - Major central banks, such as the Fed, the ECB, and the BOJ, will keep their policy rates low. Short-term interest rates will stay low. - Inflationary pressures are subdued. Inflation expectations are contained. - The pace of economic activity in most major economies is moderate. - The balance sheets of the major central banks shall stay elevated in 2019 and beyond. **TAGS:** **Sovereign bonds yields**; **Sovereign debt market**; **Economic Forecasts**

IPE Expectation Indicator: February 2019

Peter Laurelli – eVestment

The end of 2018 saw expectations shift meaningfully in certain markets, and then pause. It also saw trends accelerate, then pause. For most of us, the pauses were welcome, because the shifts were related to broad market plans. Unfortunately, 2019 has seen a resumption in the directionality away from prior trends. Trends that had previously been accelerating have resumed as well. These are not universally negative movements, but are meaningful […] **TAGS:** **Financial Analysis**; **Economic Forecasts**

Green Loans—Kickoff Time!

Emre Tiftik, Khadija Mahmood, Sonja Gibbs - IIF - Institute for International Finance

The green loan market is still a niche but growing fast: gross issuance hit $60 billion in 2018—up by 30% from 2017. At present, over 75% of outstanding green loans is directed to the renewable energy and power generation sectors. With an average maturity of over 15 years, the green loan market has the potential to become an important source of long-term funding for sustainable infrastructure projects. Across the mature markets, the U.S., the UK and Spain have the largest green loan markets. Across emerging markets, India stands out. **TAGS:** **Primary market**; **Bond market development**

Green finance: financing environmental benefits

Susanna Rust - IPE.com

Key points of this report: Green bond issuance totalled €182bn worldwide in 2018; Investors must pay attention to the underlying projects; a European Union expert group is developing unified standards and a single taxonomy; innovations like green CLOs are expected. **TAGS: Primary market; Bond market development**

The Sovereign Green Bond rules supreme - or does it?

Elizabeth Moir - Egnyte Connect

After Poland issued the first sovereign green bond in 2016, we saw more countries coming to market – France, Fiji, and finally, Nigeria. A close analysis reveals how scale, synergies and sovereigns' exclusive access to specific sectors can create some unique sustainability benefits. On the flipside, the broad scope of national policies can lessen transparency and proceeds may not be distributed equitably; governmental change is an even more serious impact default risk, as are the governance weaknesses we see in some emerging markets. Transparent impact reporting, cross-party support for national climate agendas and robust regulatory frameworks emerge as critical factors for long-term sustainable returns. **TAGS: Debt composition; Primary market; Bond market development**

Uruguay - Sovereign Debt Report January 2019

Uruguayan MoF

Overview of financing strategies during 2018, and projected borrowing needs and funding sources for 2019. Key points: - Uruguay issued a new dollar-denominated global bond with maturity 2031, becoming the first Latin-American sovereign issuer to tap international debt markets in 2019. - New issuance calendar of Treasury Notes in the domestic market announced for 2019H1. - Moody's published its regular macroeconomic update of Uruguay's Baa2 (stable) credit rating; R&I and DBRS both affirmed their ratings (BBB and BBB-low, respectively), with stable outlook. **TAGS: Debt Policy; Debt Statistics; Debt Forecasts**

JGB Newsletter April 2019

Japanese MoF

The 80th Meeting of JGB Market Special Participants and the 79th Meeting of JGB Investors were held on March 22 and March 25, 2019 respectively. Considering the opinions in the meetings, the MOF decided "Issuance of the Inflation-Indexed Bonds on April-June 2019", "Issuance Amounts for Liquidity Enhancement Auctions on April-June 2019" and "Issuance and reopening schedule of 10-year, 20-year, 30-year and 40-year Bonds (FY2019)" as explained in the meetings. In addition, the participants discussed the latest JGB market situation and the future outlook.[…] **TAGS: Debt Statistics; Debt Forecasts; Economic Forecasts**

Debt Management Office Newsletter - March 2019

Cypriot MoF

At end December 2018 public debt stock was €21,258 mn, or 102.5% of GDP. On 19th February, the Republic of Cyprus proceeded with a syndicated issuance of its first 15-year €1 billion benchmark bond in the international markets. The issuance was particularly successful as there was a record-high strong interest from a very diversified pool of investors (both geographically and by industry) with the order book closing at €8.1 billion. Pricing closed at mid-swaps plus 175 basis points from the initial price thoughts of mid-swaps plus 200 basis points. The bond was issued at a price of 99.9903

and a coupon of 2.75%. Currently the bond is trading at mid yield of 2.366%.[…] **TAGS: Debt Statistics**; **Debt and fiscal/monetary policies**

Brazil Monthly Debt Report – March 2019

Brazilian MoF

Primary Market Transactions - Federal Public Debt (FPD) issuances reached BRL 77.68 billion, while redemptions totaled BRL 68.8 billion, resulting in net issuances of BRL 8.70 billion. BRL 2.94 billion of the total net issuances refer to Domestic Federal Public Debt, and BRL 5.76 billion refer to External Federal Public Debt. Outstanding debt, profile and maturity structure - March results and the limits are outlined in the Annual Borrowing Plan 2019.[…] **TAGS: Debt Statistics**

19th OECD-ADBI Tokyo Roundtable on Capital Market and Financial Reform in Asia - Final Agenda and Conference presentations

OECD

The 19th edition of the Tokyo Roundtable took place on 26-27 February 2019 at the Asian Development Bank Institute (ADBI) in Tokyo, Japan. Jointly organised by the ADBI and the OECD, in co-operation with the Government of Japan, this meeting focused on recent developments in capital markets, future capital markets facing the challenge of new financial technology and responsible, viable, and lifecycle infrastructure investments. Initiated in 1999 in the aftermath of the Asian financial crisis, the Tokyo Roundtable offers a forum for regulators, policy-makers, experts, scholars, private sector and international organisations to discuss topics of main interest for capital market reform in Asia. **TAGS: Secondary Markets**; **Sovereign bonds yields**; **Debt and fiscal/monetary policies**; **OECD**

Economic Survey of Italy

OECD

Italy continues to suffer from long-standing social and economic problems. Italy's GDP per capita is at the same level as 20 years ago and well below its pre-crisis peak. GDP growth has slowed and is projected to contract by 0.2% in 2019 and expand by 0.5% in 2020. Expansionary fiscal policy and low growth will push the general government budget deficit to 2.5% of GDP in 2019 from 2.1% in 2018. **TAGS: Economic Forecasts; Debt Forecasts; Debt and fiscal/monetary policies; OECD**

Economic Survey of Argentina

OECD

The economy is in recession. A strategy of reducing the large fiscal deficit only gradually, the reliance on its foreign financing and high interest rates due to tight monetary policy opened up significant vulnerabilities. In April 2018, markets reacted with a reversal of capital inflows, exacerbating a slowdown of currency inflows due to a record drought. **TAGS: Economic Forecasts**; **Debt Forecasts**; **Debt and fiscal/monetary policies**; **OECD**

Subnational Public Debt in China and Germany - a comparative perspective

Gisela Färber, Zhijie Wang - Speyer University, Germany

Subnational public debt is a problem in both China and Germany—and there are lessons to be drawn from each country for the other. Total public debt amounted to 54% of GDP in China in 2012 and 74% in Germany in 2015 of which subnational governments (provinces, prefecture cities, counties, towns and villages) had a share of 53% in China and respectively 37% Länder and local governments in Germany. Subnational public debt significantly varies across the lower levels of government and

among the governments at the same level. […]**TAGS:** **Transparency**; **Subnational debt**; **Debt sustainability**

2019 - A Regulatory Red-Letter Year?

Phil Morgan - CEO at Pirum

Despite the prolonged period between the final draft being published by Esma (March 2017) and the adoption process beginning (December 2018), the details of what has to be reported under Securities Financing Transactions Regulation for in-scope participants remains substantially the same. SFTs will need to be reported on a T+1 basis, with collateral to be reported on either T+1 or S+1 at the latest, depending on the method of collateralisation used. The reporting is dual sided with both parties to a transaction reporting their version of the SFT and having to use an agreed Unique Transaction Identifier (UTI) when reporting to a trade repository. The two reported transactions are then reconciled across a number of fields with minimal or no tolerances for differences. Many of the challenges associated with these requirements have already been widely discussed in industry forums and working groups. […] **TAGS:** **International and Macroprudential Regulations**

IFRS 9 - Financial Instruments - Transition Report

Standard Bank Group

Since IFRS 9's expected credit loss (ECL) impairment requirements represent a material change in the accounting for the group's credit impairments, the group has prepared a transition report that sets out the following: 1) Presentation of the impact of IFRS 9 on the group's financial position and reserves at the DIA. This impact is presented as an opening transition adjustment in the group's summarised statement of changes in equity in the group's SENS announcement dated 24 April 2018; 2) Presentation of quantitative reconciliations that further explain the transition adjustment and key financial ratios; 3) Explanation of IFRS 9's key principles and management's key assumptions and judgements. **TAGS:** **Accounting standards**; **International and Macroprudential Regulations**

News

The **What's new** area of the PDM Network site proposes ***a daily selection of news on public debt management*** from online newspapers and info providers, as well as ***the most recent documents and reports*** uploaded on the website. Subscribers also receive the weekly newsletter ***Emerging Sovereign Debt Markets News*** drafted by the PDM Secretariat and based on ***Thomson Reuters ©*** information services.

Events and Courses

As you can read below, **the following list contains past and future events in chronological order**. The reason for listing new and expired events is to show our readers an at-a-glance collection of new entries published on our website after the release of the previous Bimonthly Newsletter.

To stay updated in advance about new future events you could, besides reading this list, much better going directly to the "**Events**" section of our website, since the Secretariat adds regularly new events in advance to their dates and deadlines.

10 April 2019; harvard.edu, Harvard
Austerity: What Works and What Doesn't

11 – 12 April 2019; Georgetown's Institute of International Economic Law, Washington, D.C.
Third Interdisciplinary Sovereign Debt Research and Management Conference (DebtCon3)

21 – 22 April 2019; 10times.com, Venice, Italy
International Conference on Economics and Financial Engineering

23 – 24 April 2019; terrapinn.com, Jumeirah Emirates Towers, Dubai
Middle East Investment Summit 2019

25 April 2019; gfcmediagroup.com, JW Marriott, Bogotà
Bonds, Loans & Derivatives Andes

2 May 2019; alhudacibe.com, Tashkent, Uzbekistan
CIS - Islamic Banking and Finance

2 – 3 May 2019; Centre for Economic Policy Research and others, Chinese University of Hong Kong
ABFER, CEPR and CUHK First Annual Symposium in Financial Economics 2019

6 May - 5 June 2019; Risk.net, Tokio, Japan
Collateral Management Japan

13 – 14 May 2019; Moody's, New York (USA)
Problem Credits: Early Warning Signs and Effective Actions

21 – 22 May 2019; ECB, European Central Bank ,Frankfurt am Main
Monetary policy in an incomplete Monetary Union

27 – 30 May 2019; iises.net, Sapienza University of Rome
11th Economics & Finance Conference, Rome

29 – 30 May 2019; ASIFMA, Hong Kong
ASIFMA Compliance and Legal Conference 2019

1 June 2019; Center for Financial Professionals, London
8th Annual Liquidity Risk Management Europe

3 – 7 June 2019; WAIFEM, Freetown, Sierra Leone
Regional course on economic and financial report writing skills and presentation

4 June 2019; gfcmediagroup.com, The Tivoli, São Paulo
Bonds, Loans & Derivatives Brazil

4 June 2019; Risk.net, Tokyo, Japan
Risk Japan

6 June 2019; IIF Institute of International Finance, Tokyo, Japan
2019 IIF Spring Membership Meeting: The G20 Agenda under the Japanese Presidency

6 June 2019; Emerging europe.com, The Gherkin, London
EBRD-Emerging Europe Outlook on Kosovo

7 June 2019; Environmental-Finance, London UK
Environmental Finance Sustainable Investment Awards 2019

10 – 11 June 2019; Moody's Analytics, New York, USA
Analysis of Sovereign and Country Risk

11 - 12 June 2019; Center for Financial Professionals, London
8th Annual Risk EMEA 2019

12 – 14 June 2019; Moody's New York
Advanced Bank Risk Analysis Learning Solution

13 June 2019; ICMA, Palmengarten Gesellschaftshaus, Frankfurt
2019 Green and Social Bond principles annual General Meeting and conference

17 June 2019; Environmental Finance, London – UK
Fixed Income & ESG featuring Green Bonds Europe 2019

17 – 18 June 2019; econbiz, Barcelona, Pompeu Fabra University UPF
Financial Intermediation and Risk - Barcelona GSE Summer Forum 2019

17 - 18 June 2019; The World Bank, Washington, DC USA
Annual Bank Conference on Development Economics 2019 Multilateralism: past, present, and future

17 – 19 June 2019 ; ECB, Sintra, Portugal
20 Years of European Economic and Monetary Union

18 June 2019; ISLA International Securities Lending Association, Madrid, Spain
28th Annual Securities Finance and Collateral Management Conference

18 June 2019; Financial Training Partner A/S,
Copenhagen, Denmark
Performance Measurement

18 – 19 June 2019; Euromoney conferences, London UK
The Global Borrower & Bond Investors Forum

20 June 2019; events.debtwire.com, Royal Horseguards, London
European Mid-Market Forum

21 – 22 June 2019; inomics.com, Moscow, Russia
2nd ILMA Workshop "Public debt, private debt and financial repression”

20 – 21 June 2019; IMF, Tokyo, Japan
Seventeenth International Monetary Fund Public Debt Management Forum In cooperation with the Ministry of Finance of Japan

20 – 21 June 2019; University of Cambridge, Cambridge - UK
10th Risk Summit University of Cambridge

20 – 21 June 2019; Zurich CH
CEPR Annual Public Economics Symposium 2019 "Public finance: Macro Insights"

24 – 26 June 2019; Universidad Diego Portales, Facultad de Economia Y Empresa, Santiago Chile
World Finance Conference

24 – 28 June 2019; ESAMI Business School – Africa, Arusha, TANZANIA
Debt Management

25 – 26 June 2019; Moody's, New York, USA
Introduction to Public Finance

25 – 27 June 2019; CMStatistics, Chung Hsing University (NCHU), Taichung, Taiwan
The 3rd International Conference on Econometrics and Statistics (EcoSta 2019)

26 June 2019; Bank of Canada, Ottawa, Canada
10th International Workshop on Theoretical and Experimental Macroeconomics

26 – 27 June 2019; econbiz, Basel, Bank for International Settlements
Workshop "Impact of regulation in a changing world: innovations and new risks"

26 – 27 June 2019; Blockchain Summit Series, Olympia Conference Centre, London, UK
BlockChain Summit 2019

2 – July 2019; Environmental-Finance, Guildhall London UK
Green bond of the Year - Sub-sovereign, supranational and agency (SSA) and Biggest issuer - Local authority: Municipality Finance (MuniFin)

1 – 5 July 2019; ECB, Frankfurt am Main
Monetary policy in the euro area 2019

1 – 12 July 2019; WAIFEM/World Bank, Adamawa State
WAIFEM/World Bank Sub-National Debt Management Performance Assessment (DeMPA)

1 – 12 July 2019; WAIFEM/IMF, Banjul, The Gambia
WAIFEM/IMF regional course on financial soundness indicators

1 – 19 July 2019; CREI, Barcelona Graduate School of Economics
CREI Macroeconomics Summer School

2 – 3 July 2019; salaamgateway.com, The Jumeirah Carlton Tower, London, UK
2019 London Sukuk Summit

2 – 4 July 2019; University of Warsaw, Poland
Warsaw International Economic Meeting 2019

3 July 2019; Česká Národní Banka/European Central Bank, Prague, Czech Republic
Sources of Structural Systemic Risk in the Financial System: Identification and Measurement

8 – 19 July 2019; WAIFEM, Lagos, Nigeria
Regional course on Econometric Methods

8 - 26 July 2019; ESAMI Business School – Africa, Kampala, UGANDA
Preparation and interpretation of Financial Statements

15 – 26 July 2019; CEPR, Gerzensee
European Summer Symposium in Financial Markets (ESSFM) 2019

22 - 26 July 2019; Salaamgateway.com, Durham University, UK
Durham Islamic Finance Summer School 2019

24 – 25 July 2019; IMF, Santiago, Chile
Current Policy Challenges Facing Emerging Markets

29 July – 16 August 2019; LSE, London UK
Advanced Econometrics

5 - 6 August 2019; Moody's, London, UK
Analysis of Sovereign and Country Risk

5 – 16 August 2019; Joint Vienna Institute – IMF; Wien (Austria)
Vulnerability Diagnostics

14 August 2019; Moody's, New York, USA
Financial Analysis of Local Governments

14 August 2019; GFOA Government Finance Officers Association, Minneapolis, United States
Overview of a Bond Issuance

19 – 20 August 2019; Halle Institute for Economic Research (IWH), Halle (Saale), Germany
5th IWH-FIN-FIRE Workshop on "Challenges to Financial Stability"

26 – 27 August 2019; Deutsche Bundesbank and others, Frankfurt am Main, Germany
Regulating Financial Markets

1 – 6 September 2019; University of Oxford and others, Oxford, United Kingdom
Social Outcomes Conference 2019

2 – 19 September 2019; Foundation of the Swiss National Bank, Study Center Gerzensee, Switzerland
Instruments of financial markets

4 – 5 September 2019; PDM Network, Headquarters of the OECD in Paris, France
PDM Network Public Debt Management Conference

4 – 6 September 2019; Salaamgatewaycom, Mansion House, London, UK
UK Islamic Finance Week 2019

9 – 11 September 2019; Bank of Italy, Rome
Central banks' communication

11 - 12 September 2019; Moody's, New York, USA
Analysis of Sovereign and Country Risk

11 – 13 September 2019 ; triple helix association, Lublin, Poland
2019 RSA Central and Eastern Europe Conference

13 – 14 September 2019; inomics.com, Rimini Centre for Economic Analysis (RCEA)
10th RCEA Macro-Money-Finance Conference - a Recession Coming?•

16 – 27 September 2019; WAIFEM, Lagos, Nigeria
Regional course on Modeling and Forecasting for Policy Analysis for Snr. Economists and Other Professionals

30 September – 11 October 2019; Joint Vienna Institute – IMF, Wien (Austria)
Monetary and Fiscal Policy Analysis with DSGE Models

7 – 9 October 2019; Worldwide Business Research, CCIB Barcelona, Spain
Fixed Income Leaders' Summit

7 – 18 October 2019; IMF / WAIFEM, Accra, Ghana
IMF / WAIFEM Regional Course on Financial Programming and Policies (FPP)

8 – 20 October 2019; Monetary Fund and the World Bank Group, Washington, D.C.
2019 Annual Meetings of the World Bank Group and the International Monetary Fund

10 – 11 October 2019; Moody's, New York (USA)
Problem Credits: Early Warning Signs and Effective Actions

10 – 11 October 2019; Moody's, Frankurt (Germany)
Analysis of Sovereign and Country Risk

10 – 11 October 2019; Financial Training Partners A/S, Stockholm, Sweden
Bond Analysis

10 – 11 October 2019; Moody's, Frankfurt, Germany

Analysis of Sovereign and Country Risk

10 – 12 October 2019; Financial Training Partners A/S, Stockholm, Sweden
Certified Fixed Income Manager

16 – 17 October 2019; SIFMA, New York, NY or Webcast
AICPA and SIFMA FMS National Conference on the Securities Industry

23 – 24 October 2019; Istanbul
Bonds, Loans & Sukuk

24 – 25 October 2019; Deutsche Bundesbank, Frankfurt am Main, Germany
Financial Intermediation in a Globalized World

4 - 5 November 2019; Moody's, Hong Kong
Analysis of Sovereign and Country Risk

4 – 5 November 2019; Moody's, London
Managing Market Risk in a Fixed-Income Portfolio

7 November 2019; Swiss Finance Institute, Zurich, Switzerland
13th Annual Meeting of SFI

14 – 15 November 2019; Corvinus Business School, Budapest, Hungary
10th Annual Financial Market Liquidity Conference

18 – 19 November 2019; SIFMA, JW Marriott, Washington, DC
SIFMA's Annual Meeting 2019

18 – 22 November 2019; UNCTAD, Geneva, Switzerland
12th Biennial UNCTAD Debt Management Conference & DMFAS Advisory Group Meeting

21 - 22 November 2019; Moody's, Singapore
Analysis of Sovereign and Country Risk

11 – 12 December 2019; Financial Training Partners A/S, Stockholm Sweden
OTC Derivatives - Pricing and Counterparty Risk

9 – 11 March 2020; Wbresearch.com, The Ritz-Carlton Westchester, White Plains, NY
Fixed income leaders' summit Emerging markets

PDM Network in Figures

At 22nd May 2019, total documents and reports available on the PDM Network website were 7,357. Events and News uploaded on the website since April 2018 were respectively 285 and 5,154. This newsletter is sent to 789 Subscribers from emerging and advanced countries.

Special Thanks

The PDM Secretariat is grateful to Banu Thurman and Lars Jessen (World Bank), Patrick van der Wansem (Capitad), Tanweer Akram (Thrivent Financial), Brazilian, Cypriot, Japanese and Uruguayan DMOs for information on new documents and reports.

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Ltd., Instituto superior de economia e gestao, Intesa Sanpaolo S.p.A., INTOSAI, Irish NTMA, International Social-Economic Development for Africa, Israeli Central Bank, Israeli Ministry of Finance, Italian MoF, Italian Senate, CRIEP, ITAM, Japan Bank for International Cooperation, Japanese MoF, JCVP Consulting, Jordanian Central bank, Jordanian MoF, Johannesburg Stock Exchange Limited, Jubilee Germany, Kenyan Central Bank, Kenyan MoF, Korea Bond Pricing, Latvian DMO, Lebanese MoF, Lesotho Central Bank, Linus Capital, Lisbon School of Economics & Management, Lithuanian MoF, Lithuanian National Audit Office, London Business School, Luxembourg MoF, MAK Azerbaijan Ltd, Malawian Reserve Bank; Maldives MoF, Maltese Central Bank, Maltese Treasury, Mauritius Ministry of Finance and Economic Development, MEFMI, Mexican MoF, Michele Robinson Consult, Ministry of Economy and Finance of Peru, Ministry of Economy and Public Finance of Bolivia, Ministry of Finance and Corporate Governance of Antigua, Ministry of Finance and Economic Development of Zimbabwe, Ministry Of Finance of Benin, Ministry Of Finance of Comores, Ministry of Finance of Saint Lucia, Ministry of Finance of St. Vincent and the Grenadines, Ministry Of Finance of Surimame, Ministry of Finance of the Russian Federation, Ministry Of Finance Trinidad and Tobago, Ministry of Foreign Affairs of Egypt, Ministry Of Public Finance of Guatemala, Moldovan Mof, Moody's Investors Service, Moroccan MoF, Mozambique Ministry of finance, Namibian MoF, National Bank of Abu Dhabi, National Chengchi University, New South Wales Treasury Corporation, Nicaraguans Ministry of Finance and Public Credit, Nigerian DMO, Central Bank of Norway, Norwegian MoF, OECD, NS&I Government Payment Services, Oliver Wyman, One2five advisory, Oxford Policy Management, Pakistani MoF, Papua NG Treasury, Paraguayan Ministry of Finance, Philippine Bureau of the Treasury, Philippines Ministry of Finance, Polish MoF, Portuguese Central Bank, Province of British Columbia, Republic of Macedonia MoF, Reykjavik Academy, Romanian Court of Accounts, Romanian MoF, Rothschild Group, Rwandan Mof, Sain Kitts & Nevis MoF, San Diego State University, The Superior Audit Office of Mexico, SCMHRD-MBA Symbiosis, Senegalese Mof, Serbian Mof, Setif University , Slovak DMA, Slovenian MoF, Solomon Island Central Bank,

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