



## D-DebtCon Webinar:



### “Sovereign Debt in the European Union”

Tuesday, 8 September 2020

\*\* (All times are CEST or UTC +2)

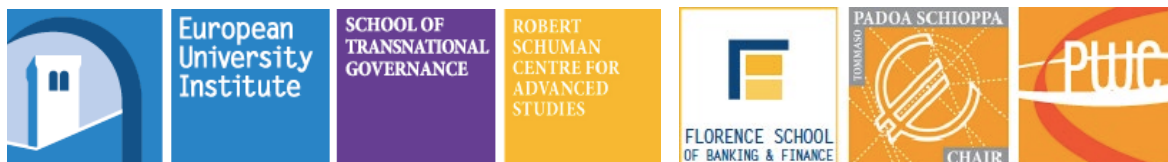
The COVID-19 pandemic is causing havoc in an already fragile global economy and its full impact in terms of capital flows and debt levels is yet unknown. However, unprecedented government interventions to minimize the economic impact have spiked public debt to levels unseen in the last 50 years. According to the IMF projections<sup>1</sup> for 2020 public debt relative to GDP will go up by 13.3% in the Euro Area and 13.1% worldwide.

In parallel, new trends are emerging on sovereign debt markets. After the debut by Poland and France, followed by Belgium and the Netherlands, other European sovereigns, such as Denmark, Germany and Sweden, have announced their plans to issue green bonds in 2020. Other new debt instruments such as social bonds, sustainability bonds and sustainability-linked bonds have also been perceived as an opportunity for issuers to opt for sustainable securities. New market developments, in particular after the COVID-19 outbreak, have included floating-rate notes and index-linked bonds.

On the path to recovery from the euro area crisis the EU's sovereign debt markets crashed and suffered damages as never before. As a response to the huge macroeconomic shock caused by the COVID-19 outbreak, EU leaders agreed on a historic package for the European recovery, known as 'Next Generation EU' (NGE). Within this recovery package, the European Commission was mandated to raise €750bn of funds on the markets during the next two years.

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<sup>1</sup> IMF Fiscal Monitor, April 2020 regarding General Government Gross Debt in percent of GDP, available at <https://www.imf.org/en/Publications/FM/Issues/2020/04/06/fiscal-monitor-april-2020>



## **PART I – RESEARCH**

15.00 - 15.05 **Welcome and Introduction by Elena Carletti** (Professor of Finance, Bocconi University)

### **Paper presentations**

**Chair: Ramon Marimon** (Professor of Economics and Pierre Werner Chair at the European University Institute)

15.05 - 15.30 **Flavia Corneli** (Senior Economist, Bank of Italy) - “Sovereign Debt Maturity Structure and its Costs”

15.30 - 15.55 **Giancarlo Corsetti** (Professor of Economics, University of Cambridge) - “Debt Crises Fast and Slow”

15.55 – 16.20 **Dominik Thaler** (Research Economist, Bank of Spain) - “The Bright Side of the Doom Loop: Banks Exposure and Default Incentives”

16.20 - 16.35 *break*

## **PART II – POLICY**

16.35 – 16.50 **Keynote Speech “A Fresh Look at Debt Sustainability in the Euro Area” by Rolf Strauch** (Chief Economist, European Stability Mechanism)

16.50 – 17.50 **Policy Debate on the “Future challenges of sovereign debt in the European Union”**

**Chair: George Papaconstantinou** (School of Transnational Governance at the European University Institute)

**Speakers:**



**Isabelle Mateos Y Lago** (Managing Director and Deputy Head of BlackRock's Official Institutions Group)

**Agnès Bénassy-Quéré** (Professor of Economics, Paris School of Economics and Chief Economist, French Treasury)

**Marco Buti** (Head of Cabinet of EC Commissioner Paolo Gentiloni)

**Pablo de Ramón-Laca Clausen** (Spanish General Director of the Tesoro and Financial Policy)

17.50 – 18.00

**Concluding remarks by Jean Pisani-Ferry** (Tommaso Padoa Schioppa Chair at the European University Institute and Professor of Economics at Sciences Po)