



Credit Analysis

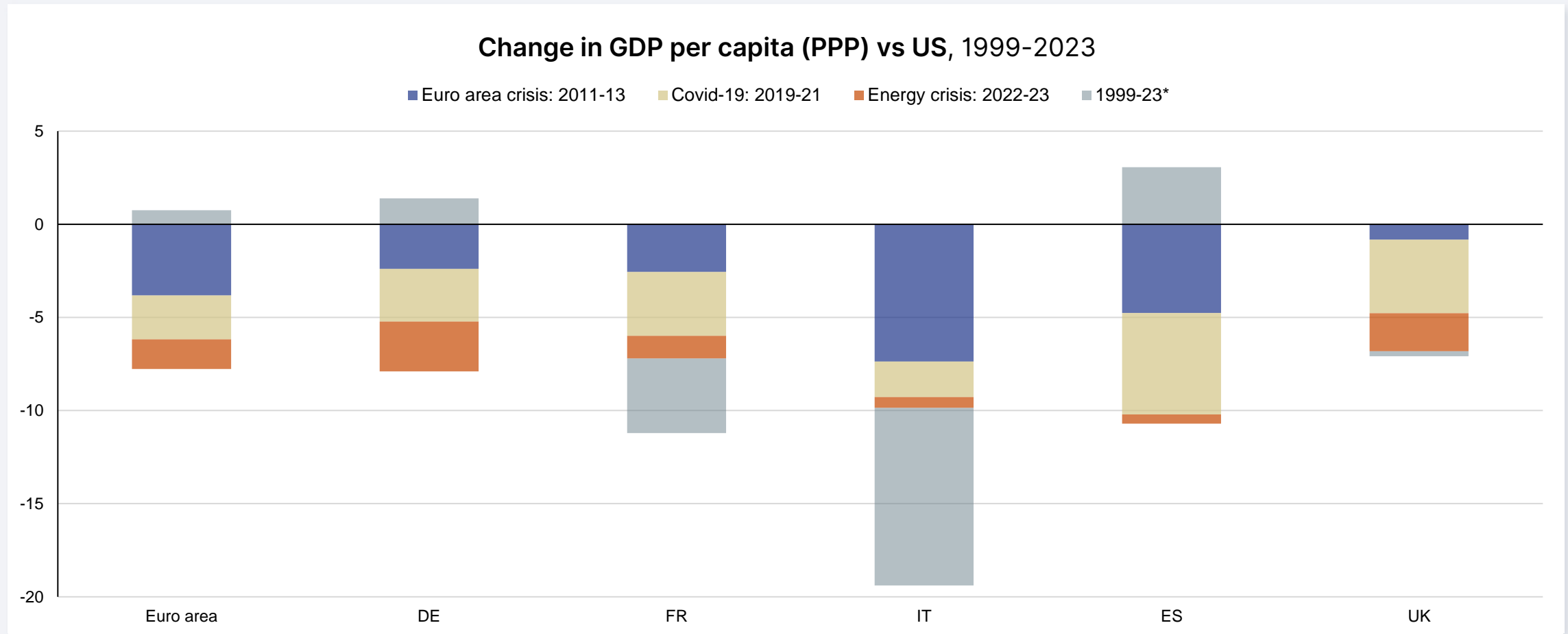
# EU vs US: Is Europe falling behind?

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# Shocks & growth drivers: Euro area more susceptible to shocks than US

Three shocks – euro area crisis, Covid-19, energy crisis – explain differential to US over past 25Y; all other years mostly on par with US (except IT, FR)  
Euro area more limited in its capacity to respond to shocks (fiscally)

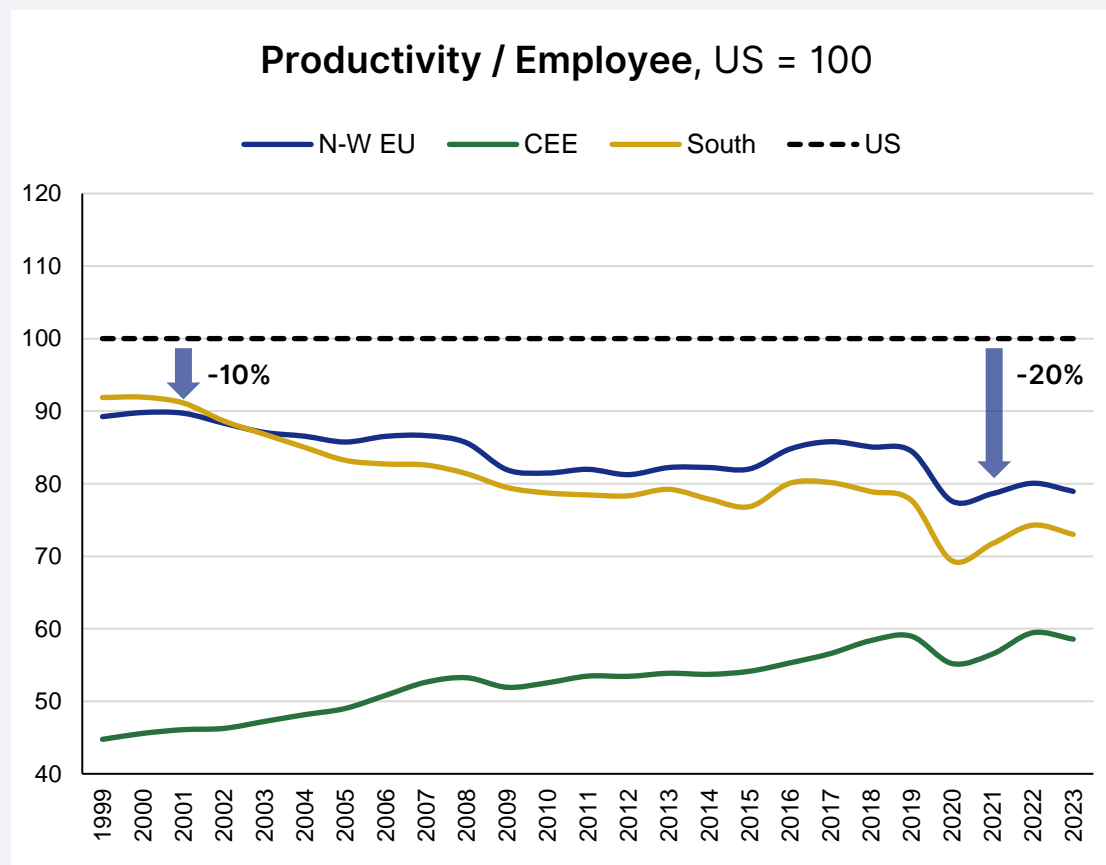


\*All other years over period. Source: WB, Scope Ratings

# Shocks & growth drivers: productivity mostly a problem in Southern Europe

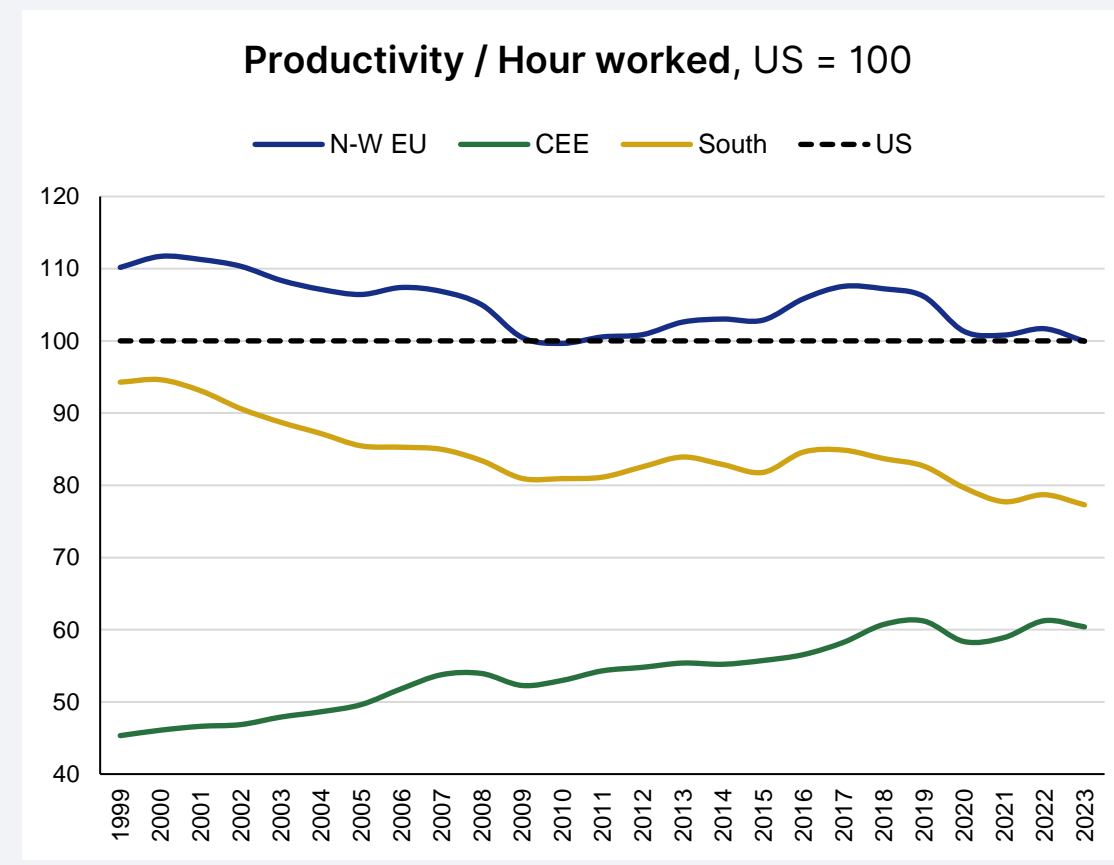
North/West Europeans work less, but as efficiently as US employees; strong catch-up process in CEE; South has a productivity problem

Will Europeans (Americans) choose to work more (less) hours?



Nb. N-W: AT, BE, DK, FI, FR, DE, NL, SE; CEE = CZ, EE, LV, LT, SK, SI, HU, PL; South = GR, IT, PT, ES; IE and LU excluded.

How can GR, IT, ES and PT raise their productivity?

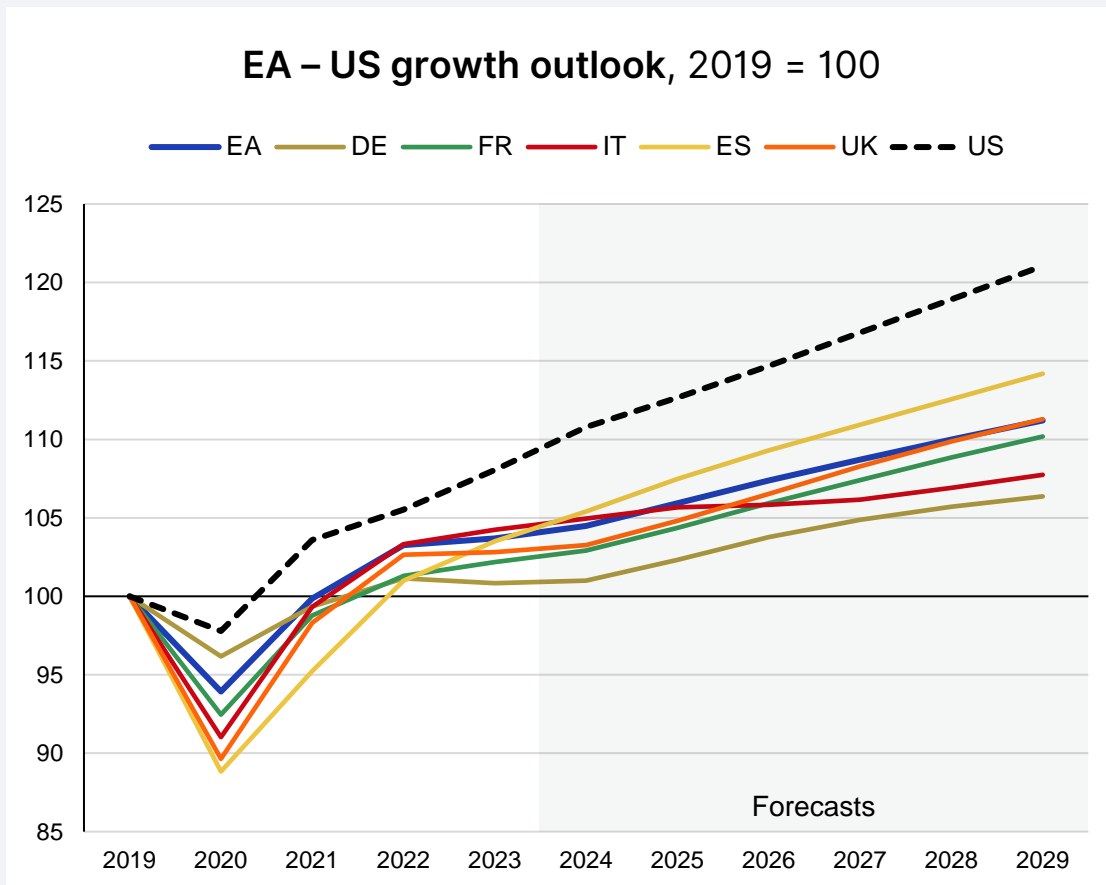


Sources: IMF, OECD, Eurostat, Scope Ratings; measured in PPP terms. GDP-weighted.

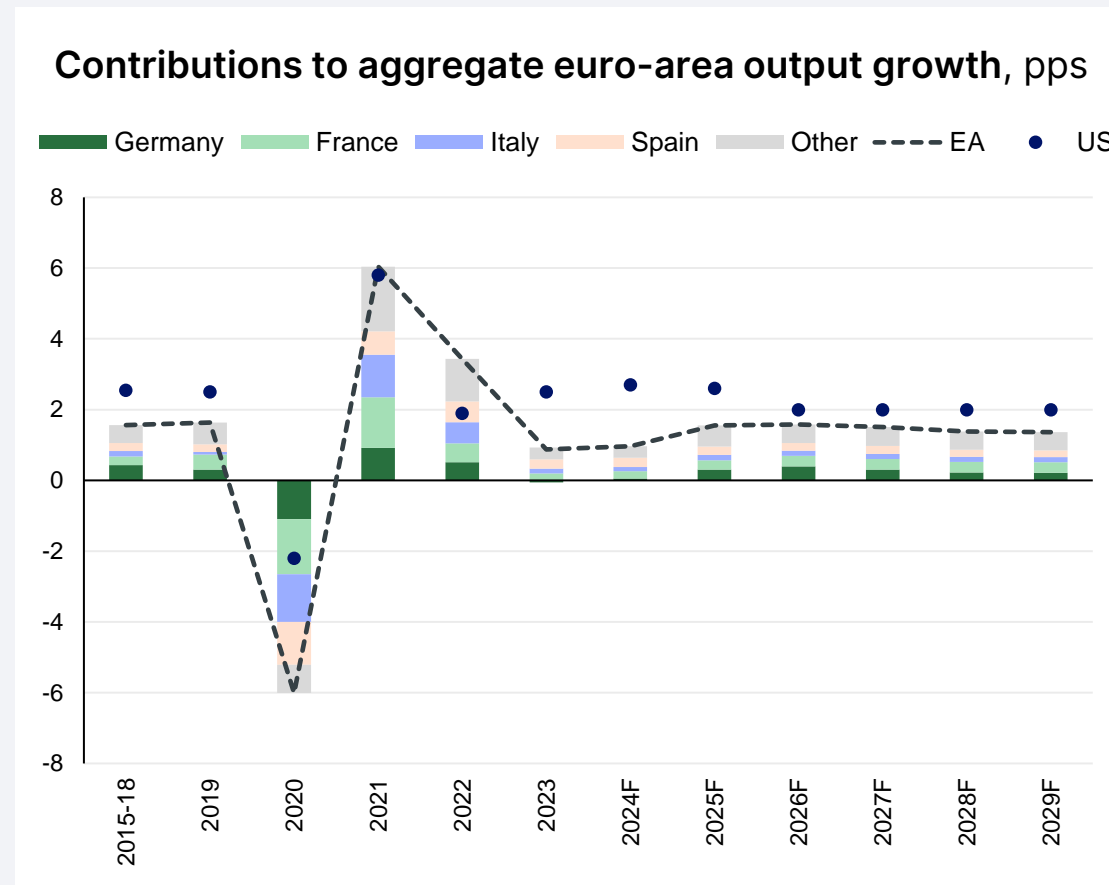
# Shocks & growth drivers: US growth outlook better, will Germany recover?

US growth potential around 2%, above euro area of around 1.0-1.5%

Will Germany recover and address its structural bottlenecks? Spain pushes euro area's growth outlook



Source: IMF, Scope Ratings



Source: Eurostat, U.S. Bureau of Economic Analysis, Scope Ratings



Group

[scopegroup.com](http://scopegroup.com)

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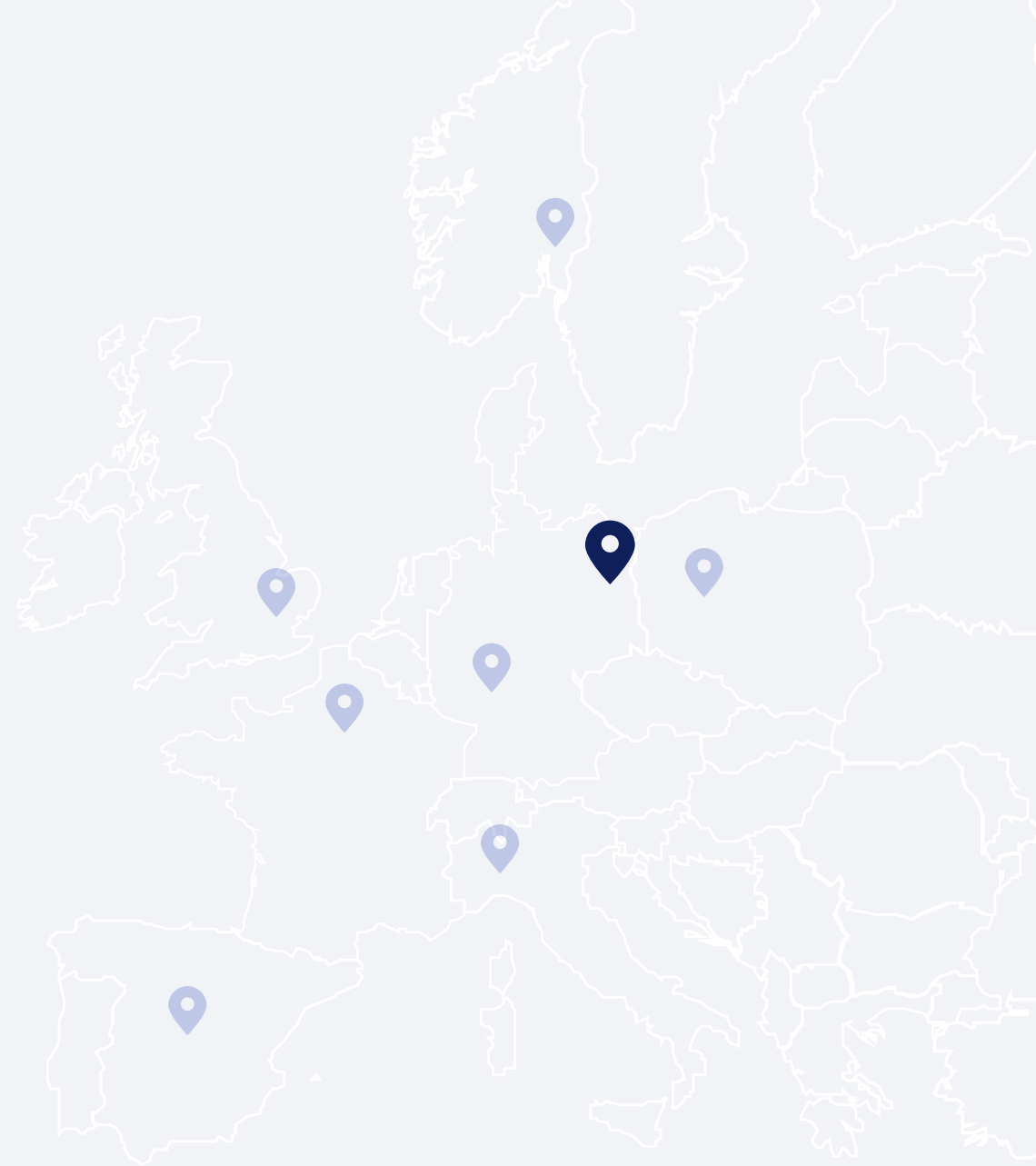
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