



## **International price and cost competitiveness**

**at Bruegel on 29th Apr 2011**

The notion of competitiveness and of price competitiveness specifically is central to the current debate on the state of the European economy. Southern European countries are said to suffer from a price competitiveness problem that limits their capacity to sell products abroad and has been responsible for the accumulation of large current account deficits over the last decade. But also countries like Italy and France do not post a much better record in relative price developments. At the same time, sector- and firm-level evidence surprises with some positive results that reveal the presence of national champions in specific sectors and/or types of firms, even in countries that have a mediocre aggregate performance.

What is then the best way to measure price and cost competitiveness? What are the strengths and weaknesses of the mostly used indicators (e.g., unit labour costs, real effective exchange rates)? How to reconcile macro with micro-evidence on relative price developments? The workshop brings together economists and statisticians from academia, the public and the private sector to answer these questions.

### **Workshop Agenda**

**09.00-09.15 – Welcome by Jean Pisani Ferry, Bruegel**

**09.15-10.00: Session 1 – Price and cost competitiveness indicators: the state of the art**

**Chair:** Benedicta Marzinotto, Bruegel

#### **Speakers:**

9.15-9.30: “The price and cost competitiveness indicators in EU macroeconomic surveillance”, Alexandr Hobza, European Commission

9.30-9.45: “From price to productivity: trends in European competitiveness”, Robert Inklaar, University of Groningen

#### **Discussant:**

**10.00-10.45: Session 2 – Sectoral price and cost competitiveness**

**Chair:** André Sapir, Bruegel

#### **Speakers:**

10.00-10.15: “Sectoral-level competitiveness : what can we tell (and not tell)?”, Jean-Charles Bricongne, Banque de France

10.15-10.30: “Going deeper in product level analysis: some preliminary results”, Filippo di Mauro, ECB



**Discussant:**

10.30-10.45: Catherine Girard, Renault

**10.45-11.15 Coffee break**

**11.15-13.15: Session 3 – Price-setting in Europe before and after the Euro**

**Chair:** Reinhilde Veugelers, Bruegel

**Speakers:**

11.15-11.30: “European Economic Integration and the Dynamics of Firms' Competitive Behavior”, Carlo Altomonte, Bocconi University

11.30-11.45: “Price dispersion under EMU”, Isabelle Méjean, Ecole Polytechnique

**Discussant:**

11.45-12.00: Rubén Segura-Cayuela, Banco de España

*12.00-13.00: Roundtable discussion chaired by Jean Pisani-Ferry, Bruegel*

*“Does the South of Europe have a competitiveness problem?” by Lorenzo Codogno, Italian Treasury and EPC- Open to journalists*

**13.00-13.30: Light lunch**

**END**