

Moody's raises outlook for European Union to stable
Malaysian Insider
15 March, 2014

Moody's raised its rating outlook for the European Union to stable from negative yesterday, citing the improvement of its members' finances and falling risks from the eurozone debt crisis. Moody's affirmed the EU's top-flight Aaa rating and said the main reason for the outlook change is "the improvement in the credit standing of the largest shareholders that the EU relies on" in crises.

It pointed to the improved ratings of Belgium, Germany, Italy, the Netherlands and Spain, countries whose ratings outlooks have recently turned stable or positive.

On March 7, Moody's raised its outlook for Aaa-rated Netherlands and Aa3-rated Belgium to stable.

A week before that, Germany, also Aaa, had its outlook improved to stable from negative.

"Together, 80.5% of the contributions to the EU's budget now come from countries with a stable or positive outlook, compared to 22.0% when a negative outlook was assigned to the EU's rating in September 2012," Moody's said.

It also said the EU faced less risk on its own loans after improvements in the ratings of Ireland and Portugal, which both underwent joint IMF-EU rescues.

"Recent rating actions on peripheral countries... indicate a diminished risk that they will fail to honor their obligations to the EU," Moody's said. – AFP, March 15, 2014.

Hakcipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/business/article/moodys-raises-outlook-for-european-union-to-stable>