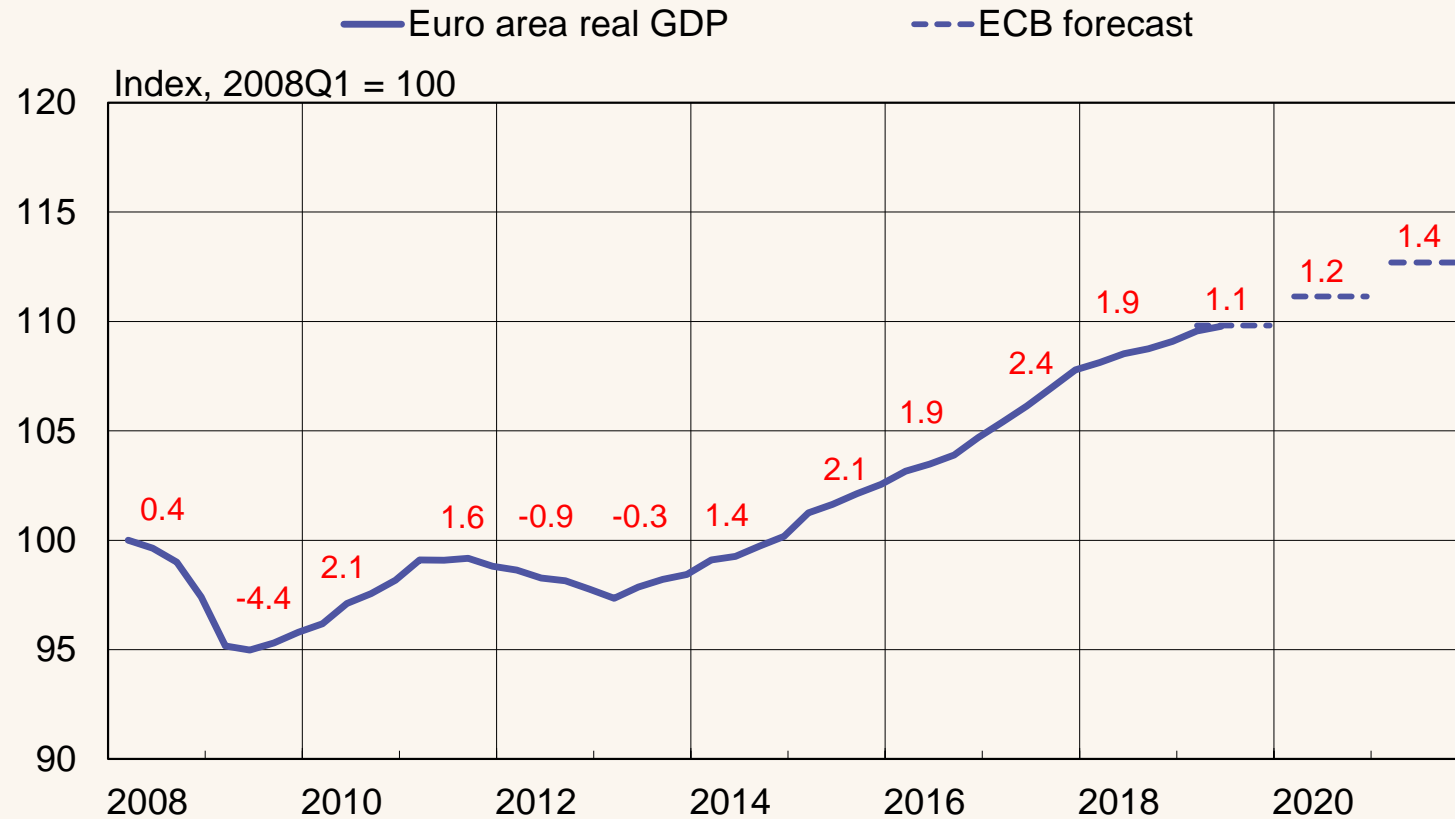




Next steps towards a stronger Monetary Union

Inter-parliamentary Conference on Stability,
Economic Coordination and Governance in the EU
Helsinki, 30 September 2019

Euro area GDP



Euro area, changing composition. Figures next to the line are annual growth rates.

Sources: Eurostat and ECB.

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Monetary and fiscal policies today

- Fiscal policy has a bigger role to play when monetary policy is constrained by the effective lower bound
 - If faced with recession, use fiscal policy space, where and when available
 - Policy coordination is important to have optimal effect
- New economic landscape and new monetary policy tools call for a strategy review of ECB monetary policy framework

EMU that brings us prosperity, employment and economic security

- Despite growth and improved employment in recent years, monetary union needs to be made stronger
- Central bank point of view: Conditions for safeguarding price stability
- Member State point of view: A strong monetary union crucial

Break the bank-sovereign doom loop

- Complete the Banking Union
- Reduce concentration of home sovereign debt in banks
- Create a European safe asset

Promote the integration of capital markets

- Create a European safe asset
- Facilitate the European market for green bonds
- Activate retail investors
- From 'Capital Markets Union' to 'Growth and Investment Union'?

A blue-tinted photograph of a classical building facade. The building features multiple stories with arched windows and decorative moldings. In the foreground, there are ornate street lamps and a stone pedestal. The overall scene is captured in a monochromatic blue color scheme.

Thank you!

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