1-002

PRÉSIDENCE DE MME BERÈS

(La réunion est ouverte à 17h00)

1-003

La Présidente. – Chers collègues, je vous propose de commencer notre séance de dialogue monétaire avec le Président de la Banque centrale européenne, M. Jean-Claude Trichet. Monsieur le Président, comme vous le savez, au sein de notre commission, une réflexion s'est engagée pour savoir comment améliorer la densité du dialogue monétaire que nous entretenons avec l'institution que vous représentez et nous sommes convenus de concentrer chacun de nos dialogues monétaires sur une ou deux questions.

Comme vous le savez, les deux questions qui ont été retenues par les coordinateurs pour cette séance concernent, l'une, le taux d'inflation des dernières prévisions et la discussion sur la façon dont la Banque centrale intègre les données en termes d'inflation et, l'autre, l'élargissement de la zone euro. Dans un instant, je vous donnerai la parole mais je voudrais d'abord rappeler que nous sommes arrivés, dans le cadre de ce dialogue monétaire régulier, à la dernière séance avant un renouvellement important du directoire de la Banque centrale. En effet, M. Jürgen Starck ayant été désigné par le Conseil Ecofin pour succéder à M. Otmar Issing, nous aurons ici à l'entendre comme nous avons entendu tous les membres du directoire lors de notre séance du 18 avril. Toutefois, je peux d'ores et déjà vous dire que les membres de cette commission s'interrogent quelque peu sur les conditions dans lesquelles les membres du directoire seraient amenés à être reconduits, en tout cas en termes de nationalité et sur la façon dont l'État membre qui bénéficie en quelque sorte de ce droit de tirage l'utilise sans aucune discussion collective, face au profil que devrait avoir le titulaire du poste, poste manifestement européen et qui, indépendamment de l'indépendance de la Banque centrale, ne relève sans doute pas strictement d'une indépendance de l'État membre mais devrait, nous semble-t-il, relever davantage d'un esprit de décision européen. Mais nous aurons l'occasion de revenir sur ces points lorsque nous procéderons à l'audition de M. Jürgen Starck le 18 avril prochain. Je vous donne maintenant la parole, M. le Président, en vous demandant, comme convenu, de vous concentrer sur les deux points que nous avons retenus pour notre dialogue monétaire de ce jour, ce qui, bien évidemment, ne nous interdit pas, en tant que de besoin, d'aborder telle ou telle question que vous jugerez brûlante d'actualité.

1-004

Jean-Claude Trichet, *BCE***. –** Madame la Présidente, Mesdames et Messieurs les membres de la commission économique et monétaire, je me réjouis de paraître devant votre commission aujourd'hui et de poursuivre ainsi notre dialogue régulier. Je tiens à vous dire que les rencontres trimestrielles qui se tiennent ici chez vous sont très importantes pour la Banque centrale européenne.

1-005

Ich möchte meine Ausführungen mit einer Beurteilung der aktuellen wirtschaftlichen und monetären Entwicklungen beginnen. Im Anschluss werde ich mich kurz zur Frage der Erweiterung des Euro-Währungsgebietes äußern.

1-006

I shall start with the economic, monetary and inflation issues that you mentioned. At the time of my last appearance before the European Parliament in November, I described how the latest available data at that time confirmed our working assumption of a gradual normalisation in the real side of the economy, including a strengthening and broadening in the expansion of economic activity in the euro area. I also noted that, over the past year, the euro area economy had exhibited a notable degree of resilience to marked increases in oil prices.

Let me now update you on our assessment of how the data have evolved over the past quarter, starting with price developments, as you have suggested. In December 2005, the Eurosystem staff inflation projections were again revised upwards, on account of further upside surprises in oil prices and the announcement of increases in administered prices and indirect taxes in some countries. As a result, upside risks to medium-term price stability were assessed to have increased, according to our economic analysis. This assessment was confirmed by the monetary analysis in a context of strong monetary growth, ample liquidity and robust expansion of credit.

By the end of 2005, the regular cross-checking of the economic and monetary analyses indicated that an adjustment of the very accommodative stance of the ECB's monetary policy was warranted to address those risks. Therefore, on 1 December 2005, the Governing Council decided to increase the key ECB interest rate by 25 basis points, after two and a half years of maintaining this rate at the same historically very low level of 2%. The information which has become available since our decision to moderately raise interest rates supports the assessment that an adjustment of our very accommodative monetary policy stance was indeed warranted.

Starting with economic activity, according to Eurostat's flash estimate, real GDP growth in the euro area in the fourth quarter of 2005 was 0.3% quarter on quarter. Although this is significantly lower than the 0.6% recorded in the previous quarter, this figure, however, mainly reflects in our view the significant volatility in real GDP growth rates on a quarter-to-quarter basis. Looking through the short-term volatility to medium-term trends, our assessment continues to reflect a progressive strengthening of economic activity, supported, in particular, by stronger investment, which should be followed by a gradual strengthening of consumption growth.

Looking ahead, the economic conditions remain in place for continued sustained economic expansion. The external environment remains favourable, providing

support for euro area exports. Investment is expected to remain strong, benefiting from an extended period of very favourable financing conditions, balance sheet restructuring and accumulated and ongoing gains in business efficiency. Consumption growth should also strengthen over time, in line with developments in real disposable income, as the labour market situation gradually improves. However, the outlook for economic activity remains subject to downward risks relating, in particular, to high and volatile oil prices and concerns about global imbalances.

Turning to price developments, annual HICP inflation declined somewhat towards the end of 2005, standing at 2.2% in December, down from 2.3% in November and 2.5% in October. In the coming months, annual inflation rates may again be somewhat higher amid renewed increases in energy prices and some base effects, as Eurostat's flash estimate of 2.4% for HICP inflation in January 2006 would appear to confirm.

Looking further ahead, indirect effects of past oil price rises on other components of the price index may gradually materialise, and changes to administered prices and indirect taxes that have already been announced are expected to have an upward impact on HICP inflation. Meanwhile, wage dynamics have remained moderate over recent quarters and our working assumption is that they will remain contained, partly as a result of global competitive pressures.

Risks to this outlook for price developments remain on the upside and include further rises in oil prices, a stronger pass-through of oil prices into consumer prices than currently envisaged, additional increases in administered prices and indirect taxes, and – more fundamentally – potential second-round effects on wage and price-setting behaviour. In our view it is therefore essential that the social partners continue to meet their responsibilities also in the context of the present more favourable economic environment.

In relation to our monetary analysis, the annual growth rate of M3 remains robust, even though it has moderated somewhat in recent months. This moderation can be explained in part by an apparent resumption of the unwinding of past portfolio shifts, which exerts a dampening effect on M3 growth. However, the trend rate of monetary expansion remains strong, reflecting the stimulative impact of the prevailing low level of interest rates.

Overall, strong monetary and credit growth in a context of already ample liquidity in the euro area points to risks to price stability over the medium and long run. Cross-checking the monetary analysis with the economic analysis therefore supports the case for vigilance to ensure that the risks to price stability over the medium to longer term do not materialise.

The preservation of a solid anchoring of inflation expectations for the euro area as a whole at levels in line with price stability, as reflected in available surveys and indicators, has contributed to a sustained decline in risk premia across the whole maturity spectrum since the creation of the euro, thereby leading to lower levels of both short- and long-term interest rates. The ECB's high level of credibility and its stability-oriented policy have contributed to these very favourable financial conditions observed over the past few years for investors. They have also preserved the purchasing power of consumers, which is of the greatest importance for everyone, especially those with low incomes. It is essential that this important asset of the euro area economy is preserved. The Governing Council will continue to exercise vigilance so as to continue ensuring the solid anchoring of medium- to long-term inflation expectations. Such vigilance is indeed warranted, taking into account the present upside risks to the outlook for price developments and the historically low level of both nominal and real short-term interest rates.

As regards fiscal policy, recent information points to somewhat better than expected outcomes for 2005 in a number of countries and also for the euro area as a whole. Looking ahead, the targets presented in the latest round of stability programme updates are consistent with a moderate fiscal consolidation, although in some countries imbalances will persist for a number of years.

With the improvement in economic growth, determined fiscal consolidation is now, in our view, even more important. In particular, countries with excessive deficits must take this opportunity to reduce their fiscal imbalances in a decisive and sustainable fashion. This would strongly support the European fiscal framework as established by the Stability and Growth Pact. Delaying consolidation would be both inappropriate in the short term and risky in the longer term. Adjustment efforts should be based on credible, fully specified measures as part of a comprehensive programme for consolidation. Moreover, windfall gains from higher than expected growth or other factors should be allocated to speed up deficit reduction. This would help to prevent a repeat of past experiences, when complacency in good times contributed to persistent budgetary disequilibria.

As regards the structural reforms which remain an essential ingredient for improving competitiveness and growth performance in the euro area, let me also add that, given the services sector's increasingly important role, the need to ensure a fully integrated internal market for services in the EU has rightly been at the forefront of the European policy agenda. Structural reforms aimed at increasing competition in both EU and international services markets would allow firms to benefit from economies of scale and should be expected to increase economic efficiency. In our view this would support both a higher level and stronger growth rate of labour productivity in the services sector, a more dynamic economy and create more jobs. Moreover, a higher level of competition in the services market should have a dampening impact on prices and would contribute to the reduction of price stickiness in some areas of the services sector. Overall, opening up the services sector

to new entrants would tend to foster more efficient and flexible services markets, facilitate adjustment processes and increase the resilience of the euro area to economic shocks.

I would now like to say a few words, as you suggested, Madam Chair, on the issue of euro area enlargement. Of the ten new Member States that joined the EU in May 2004, three entered ERM II in late June 2004, and another four countries joined the mechanism in 2005. All seven of these countries have expressed an interest in adopting the euro in the coming years. Participation in ERM II is a necessary pre-condition for adopting the euro. Indeed, participation in a system of fixed exchange rates can be seen as a crucial test for living under conditions which are close to those that exist under the single currency.

The enlargement of the euro area is a process which follows clearly-defined procedures and rules. It is of the utmost importance that countries adopting the euro have demonstrated that they have sufficiently converged towards the euro area for this convergence to be sustainable. As you know, the necessary conditions for this are set out very clearly in the Treaty.

In autumn this year, the ECB and the European Commission will again publish their regular convergence reports, as required by the Treaty. As on previous occasions, these reports will examine the readiness of countries with a derogation to adopt the euro and will therefore cover the ten new Member States and Sweden.

In the reports, each country will be examined according to its individual performance. To examine the state of economic convergence, the ECB makes use of a common framework of analysis, which builds on the principles set out in previous reports in order to ensure continuity and equal treatment. No additional criteria for the adoption of the euro by the new Member States will be introduced; at the same time, there will be no relaxation of the criteria laid down in the Treaty.

Following the publication of the convergence reports, consultation of the European Parliament and a discussion amongst the EU Heads of State and Government, the Council will decide, on the basis of a Commission proposal, which Member States fulfil the necessary conditions.

In the event of compliance with the convergence criteria, more practical arrangements will be set in motion, relating, for instance, to the integration of the national central banks into the Eurosystem and to the cash-changeover procedures. The fact that already today the national central banks of all the EU Member States participate actively in committees and other meetings within the framework of the European System of Central Banks will no doubt greatly facilitate this process.

I cannot and will not pre-empt the analysis of the forthcoming convergence reports. Let me stress, however, that once one economy fulfils all the convergence criteria set out in the Treaty in a sustainable manner, I have no doubt that its participation in the euro area will be highly beneficial for all parties.

I thank you for your attention.

1-007

La Présidente. – Merci beaucoup, Monsieur le Président. Selon un usage que vous connaissez bien, nous allons passer maintenant aux questions-réponses avec un premier tour, qui sera cette fois-ci, en principe, concentré sur la question de l'augmentation du taux et des prévisions d'inflation de la Banque Centrale.

1-008

Alexander Radwan (PPE-DE). – Herr Präsident! Besten Dank für Ihre Ausführungen. Ich danke auch für Ihre Argumentation und Ihren Einsatz für eine entsprechende niedrigere Inflationsrate in der Europäischen Union, wobei ich nicht verhehlen möchte, dass ich – gerade auch mit Blick auf den Stabilitäts- und Wachstumspakt – nach wie vor die Befürchtung habe, dass in der Politik die Verlockung sehr groß ist, künftig eine höhere Inflationsrate zu akzeptieren, um sich so um entsprechende Strukturveränderungen zu drücken.

Ich möchte aber auf eine Äußerung von Herrn Verheugen, Vizepräsident der Europäischen Kommission, zurückkommen und Ihre Einschätzung dazu hören. Nachdem ja jetzt die Gewerkschaften aus ihrer Sicht erfolgreich gegen den freien Dienstleistungsmarkt agiert haben, können sie jetzt getrost daran gehen, auf nationaler Ebene entsprechende Lohnerhöhungen zu fordern, und dies wurde von Vizepräsident Verheugen auch entsprechend unterstützt.

Wenn eine entsprechende Lohnerhöhungsrunde kommen sollte, wie schätzen Sie dies aus Sicht der Wirtschaftsentwicklung ein? Wird Europa dadurch wettbewerbsfähiger? Herr Verheugen hat argumentiert, dass der Lohn heute kaum Auswirkungen auf die Wettbewerbsfähigkeit habe; wie schätzen Sie die Auswirkungen auf die Inflationsrate ein?

1-009

Jean-Claude Trichet, *ECB***. –** As regards wages and salaries, we consider that it is of the utmost importance that we continue not to observe what we call the 'second round effects'. If we observe such second round effects, we would destabilise the whole situation, because inflationary expectations would then augment immediately. There would be a feeling that the second round being there, inflation would not be in line with our definition of price stability for a long period of time.

Then all market interest rates – medium- and long-term rates in particular – would incorporate the higher level of inflationary expectations. Inflation being there, the purchasing power of the household and of employees would not be correctly protected. So there is a very important stake there. We really need to avoid the secondary effect and we do our job ourselves in maintaining inflation in line with our definition of price

stability and maintaining inflationary expectations in line with our definition, because then we protect the purchasing power of wages and salaries.

1-010
Alexander Radwan (PPE-DE). – Besten Dank für diese klare Aussage zum Thema Inflationsrate. Die These, die ja auch bei den erhöhten Löhnen und Forderungen vertreten wird, ist, dass sich für die Wettbewerbsfähigkeit der deutschen und der europäischen Wirtschaft keine negativen Auswirkungen ergeben. Können Sie diese These teilen, oder haben Sie eine differenzierte Betrachtungsweise?

1-011
Jean-Claude Trichet, *ECB***. –** At the level of the euro area as a whole – which is of course the concept that we are permanently analysing – if we had the start of a second round effect, it would hamper not only the competitiveness of the European economy both directly arithmetically, but also, in the medium and long term, the appropriate functioning of the European economy. In my opinion it would have a very bad effect in all respects.

Having said that, when you look at the individual level you have a very different situation. At individual level in the euro area, at national level, there are economies in particular where I think it would be absolutely dramatic to engage in this avenue. I do not want to comment more on that, but clearly we have to be very cautious.

1-012
Cristobal Montoro Romero (PPE-DE). – Señor Presidente del Banco Central Europeo, en primer lugar quiero felicitarle por lo acertado de su diagnóstico sobre la situación en Europa. Déjeme que me refiera a la inflación importada por los precios de la energía.

A usted le preocupan los déficits comerciales que se están generando en parte de los países europeos y le preocupa la profundidad de los mismos, en parte justificados por el precio de la energía pero, en parte también, por los diferentes ritmos de crecimiento económico.

¿Usted recomendaría que, cuando esos déficits comerciales son altos, esos países deberían aplicar políticas fiscales más sanas, o deberían buscar superávits presupuestarios más decididos? Porque hay algunos países donde lo que está ocurriendo, además, es que con déficits comerciales muy importantes, como usted sabe, hay también unos diferenciales de inflación muy considerables.

¿Cuál sería exactamente su recomendación para el conjunto de la zona euro? ¿Cuál debería ser la aportación de esos países para la estabilización en el conjunto de la zona euro?

1-013
Jean-Claude Trichet, *ECB***. –** You mentioned two criteria: the trade deficit or the current account position in general, and inflation. It is clear that at the level of the euro area as a whole, as far as the current account is concerned we are close to balance. Recently we have been slightly in deficit, but nothing compared to the level of deficits that we see in some other economies at global level.

Having said that, we have enormous differences between various entities within the euro area. That has to be taken seriously because this is important information which is given to the national authorities, namely the executive branches and parliaments. They have to reflect on the information which is contained in these figures. It is clear that it calls for reflection if these figures appear to be due not only to the fact that there is a growth differential in favour of that particular economy, but also to a loss of competitiveness and increases in unit labour cost that are much higher than is the case at the level of the euro area as a whole.

Some differences are perfectly explainable in a vast continental economy, but again this is important information – inflation differentials, unit labour cost differentials – that would be analysed at national level and could call for appropriate measures or counter measures. Again, at the level of the various national executive branches, I think we have to look very carefully at all the information that is coming through, including that which you have mentioned.

1-014
Cristobal Montoro Romero (PPE-DE). – Agradezco la respuesta, que ha estado cargada de prudencia.

Efectivamente es una advertencia a las autoridades nacionales, pero lo que quería decirle también es que, muchas veces, las autoridades nacionales se escudan en el hecho de estar en la zona euro para no actuar con políticas nacionales económicas más decididas. La opinión del Banco Central Europeo es siempre una guía y es muy importante que usted se pronuncie también con toda claridad a ese respecto.

1-015
Jean-Claude Trichet, *ECB***. –** I think we are as clear as possible. On fiscal policies, which are decided at national level, we call for the rigorous implementation of the Stability and Growth Pact. On structural reforms – which are now very wisely at national level for the new procedure – we call for Lisbon Agenda reforms to be as active as possible. We are absolutely convinced that it would increase the growth potential of Europe and of the euro area and permit the euro area to be more resilient. As regards the inflation deferential, the unit labour cost evolution and the current account position – whether they are in slight deficit or major deficit – we say this is very important information and one could not eternally go in a direction where it will lose cost-competitiveness year after year and, I say this very clearly: this is not possible in the euro area.

1-016
Ieke van den Burg (PSE). – I would like to raise a point that our chair raised at the start of the meeting, that of the appointment of Otmar Issing's successor. You will have already heard through Mrs Berès' remarks, Mr

Trichet, that there is some frustration within Parliament about this procedure. For my part, this is frustration that a big country is claiming such a position as if it were a position reserved for one of the big Member States. There is also the fact that it is a purely national appointment. We in Parliament can hear the proposed candidates at our hearing, but we cannot exert any influence about the profile or the search criteria. We cannot choose between different candidates. In this particular case, the profile is unclear, as indeed is his portfolio.

Can you tell us what has already been settled before the appointment takes place? ECOFIN has already recommended him, and it will be handled in due time, but what will happen? It is no secret, moreover, that there is some criticism about the level of cooperation between the different departments in the ECB, so what are you planning to do before this appointment takes place?

1-017

Jean-Claude Trichet, *ECB***. –** On the questions associated with the decisions taken and to be taken in the future by the Council, at all appropriate levels, the best person for you to speak to is Jean-Claude Juncker. The decision was taken unanimously by big countries and small countries that were all joined at the level of the executive branches. I shall not comment any further on that.

As regards the person himself, I have heard things here and there which were not 'gentle', and I just want to say that Jürgen Stark, whom I know very well, is a remarkable person. He has occupied extremely important positions and he has a wealth of remarkable experience. As you know, he has been Vice-President of the Bundesbank, *Staatssekretär* in a decisive area and he has also been the sherpa of the German Chancellor, namely the person who was representing the Chancellor in the preparations for the summit of industrialised countries. He has a vast wealth of experience in dealing with difficult circumstances. I have the highest esteem for him personally. I have to say this with caution, because we will have to make our position clear in the Governing Council, but we know him and I have a lot of esteem for his professional and personal qualities and for his action in difficult circumstances, including in preparation for the euro and in preparing the whole of Europe for the single currency.

As regards the future allocation of responsibility in the Executive Board, I will only say that when the time comes all six of us – along with the new member of the Executive Board – will make as conscientious a decision as possible so as to ensure the best possible organisation. That is the collective duty of the Executive Board, which is a very united team. From time to time I read things in the newspapers which do not seem to me to correspond at all to that which we as colleagues are doing with a high level of dedication.

1-018

Ieke van den Burg (PSE). – I did not want to criticise the person concerned. We are going to hear him and then we will make an assessment, so I do not wish to be misunderstood about that. What I wanted to hear is what you consider to be the best organisation and how to handle this type of situation. Time will not permit us to go too far into detail, but it would be good if you could be a bit clearer about that.

1-019

Jean-Claude Trichet, *ECB***. –** As is the case as regards organisation in all institutions, we always aim for an optimum allocation of responsibility, taking into account those involved. We have done that since the beginning – very well, evidently – and I am sure we will continue to do that. I shall not decide in advance, the six of us will have to decide together.

1-020

Robert Goebbels (PSE). – Monsieur le Président, il est manifeste qu'il y a une bulle spéculative dans le secteur immobilier également et ce, non seulement aux États-Unis, mais également en Grande-Bretagne et dans certains pays de l'eurozone. Est-ce que cette inflation dans le secteur immobilier va vous inciter à relever vos taux?

1-021

Jean-Claude Trichet, *BCE***. –** Comme vous le savez, Monsieur le député, nous regardons l'ensemble des informations pertinentes lorsque nous procédons à nos analyses, à la fois économiques et monétaires et nous étudions bien entendu, quand nous procédons à l'analyse économique, les effets que peut avoir l'évolution du marché immobilier, notamment sur la demande, par le truchement des effets de richesse. Nous regardons aussi de près la masse monétaire, ses contreparties et ses composantes lorsque nous faisons l'analyse monétaire. Là aussi, à travers à la fois les contreparties, c'est-à-dire les crédits à l'économie et notamment les crédits au logement, de même que dans nos analyses de l'ensemble de la situation monétaire, nous voyons certainement une interaction avec ce qui est observé dans le domaine immobilier. Ceci dit, nous avons là aussi à regarder de près la situation dans certains pays où il y a véritablement un phénomène anormal. Dans d'autres, je pense à l'Allemagne en particulier, on observe le phénomène inverse pour des raisons parfaitement compréhensibles, qui sont liées à l'effet retardé de la réunification. Au total, ce que nous devons faire nous-mêmes, c'est regarder l'ensemble. Je puis vous confirmer que nous regardons l'ensemble de très près.

1-022

Robert Goebbels (PSE). – Merci Monsieur le Président. Vous venez de porter un jugement très pondéré sur cette hausse immobilière. Néanmoins, à vous écouter dans votre déclaration liminaire, j'ai l'impression que vous nous avez annoncé, sur la pointe des pieds, il est vrai, mais d'une façon bien audible, que vous êtes prêt à augmenter vos taux directeurs. Expliquez-moi alors les raisons de cette vigilance puisque vous avez dit vous-même que les salaires sont restés extrêmement modérés mais que l'inflation sous-jacente est très réduite en Europe, sauf bien évidemment les coûts de l'énergie sur

lesquels l'Europe, malheureusement, n'a que très peu de prise. Pourquoi alors préparer ce relèvement de tous vos taux?

1-023
Jean-Claude Trichet, *BCE*. – D'abord je vous confirme ce que j'ai dit, à savoir que je trouve raisonnables les prévisions concernant nos mouvements futurs qui sont faites notamment par les marchés. Je voudrais aussi vous dire que ce que nous avons à faire nous-mêmes, c'est contrer les risques d'inflation et faire en sorte que ces effets de second tour, dont je vous faisais part, ne se matérialisent pas, parce que s'ils se matérialisent, il est trop tard. C'est aussi simple que cela. Nous devons donc être vigilants en permanence. Il est de fait que les risques pour la stabilité des prix ont augmenté. C'est notre analyse et c'est d'ailleurs, je crois, le sentiment général. Donc, il nous appartient de faire en sorte que nous puissions continuer à préserver ce qui est le bien, peut-être le plus précieux, que nous puissions apporter à l'Europe, à savoir la crédibilité de notre propre action non seulement immédiatement mais à terme, qui se cristallise dans les anticipations d'inflation. Si j'entrais dans le détail sur les anticipations d'inflation – Mme la Présidente me dit qu'il faut que je m'arrête – je pourrais trouver confirmation de ce que je vous disais sur les risques qui sont perçus par un certain nombre d'opérateurs comme augmentant.

1-024
Wolf Klinz (ALDE). – Herr Präsident! Der frühere Präsident der Deutschen Bundesbank, Hans Tietmeyer, pflegte auf die Frage nach dem politischen Einfluss auf seine Entscheidungen zu sagen: „Ich höre die Politiker, aber ich höre ihnen nicht zu." Das ist ein deutsches Wortspiel, das vielleicht schwer zu übersetzen ist. Man würde es wahrscheinlich übersetzen als: „*I hear the politicians, but I don't listen to them".* Ich habe den Eindruck, dass Sie als Präsident der Europäischen Zentralbank genau das Gleiche versuchen, aber dass das vielleicht nicht ganz so überzeugend in der Öffentlichkeit rüberkommt.

Kurz nach der letzten – sehr moderaten – Zinserhöhung haben Sie bei vielen Anlässen das Wort ergriffen, um deutlich zu machen, dass diese kleine Zinserhöhung nicht notwendigerweise der Einstieg in eine Reihe von weiteren Zinserhöhungen ist. Mir scheint, Sie haben damit in gewisser Weise doch versucht, die politischen Interventionen ein bisschen abzufedern und ihnen entgegenzukommen.

Ich frage erstens: Warum bestehen Sie nicht auch nach außen deutlich sichtbar auf Ihrem Recht, unabhängig die Europäische Zentralbank zu führen, so wie Sie es ja nach bestem Wissen und Gewissen versuchen? Und zweitens: Wie können Sie sicherstellen, dass die Mitglieder Ihres *Executive Committee* in solchen Fragen auch nach außen deutlich mit einer Stimme sprechen oder sich der Stimme enthalten?

1-025
Jean-Claude Trichet, *ECB*. – First of all I would say that it is from time to time agreeable music to my ears for the ECB to be accused of being a little weak and so forth. I am used to exactly the opposite being a permanent criticism. As everybody in Europe and the world knows – perhaps apart from yourself – we are totally, fiercely independent. How could we have over 10, 30 and 50 years the anchoring of inflationary expectations we have if anybody could imagine at any time that we would take decisions on the basis of political influences, of political calls, of political analyses? It is absolutely clear that we would then pay the most dramatic service to Europe, because immediately our credibility will fall down and the credibility we are given is not only given by Europeans – and that is very high – it is given by the entire world. We cannot dictate the behaviour of tens of thousands of people with PhDs in New York who are giving advice on what should be done to best manage the capital, the trillions of euros in their hands – these euros are in the hands of non-European residents. So, I repeat – and there should not be any ambiguity about this – we are totally, fiercely independent and it is our best contribution for Europe.

Second, I said on behalf of the Governing Council, unanimously, that it would be a mistake to think that we would increase rates by 25 basis points each time we met as observers and market participants may have been tempted to do, because they had observed that in the case of the US. I said that it was certainly not at all something which would be a response to political pressure. It was from the very beginning what we had decided. We had to do something and we had to avoid a misunderstanding with the market. There was no absolutely no misunderstanding with the market. The market understood that extremely well, and I confirm that, at least for the short period of time ahead of us, it seems to me that the market sentiment is pretty in line with what we would consider reasonable. And we will continue fiercely to do that. There is a period of time which we have probably forgotten: I was appointed at the end of 2003; in 2004 three Heads of State or Government asked us to decrease rates. I said no, I am very sorry, it would not be appropriate in view of our mandate. We maintained our credibility marvellously because we have the credibility of the DM – intact. Again, this is accorded us not only by Europeans, but by all the world markets, investors and savers.

1-026
Sahra Wagenknecht (GUE/NGL). – Herr Präsident! Die Wirtschaft im Euroraum ist ja im vierten Quartal 2005 mit nur 0,3 % wieder extrem wenig gewachsen; man kann eigentlich von Stagnation sprechen. Über die Ursachen dürfte es auch nicht allzu viel Disput geben. Es ist ganz eindeutig nicht der Export, der lahmt, sondern es ist die Nachfrage im Euroraum selbst. Sie haben darüber gesprochen, dass es eine moderate Lohndynamik gegeben habe – moderat ist ja sehr freundlich ausgedrückt. Die Löhne sind ja in fast allen Euroländern deutlich weniger gestiegen als die Produktivität. Ein ganz extremes Beispiel ist die Bundesrepublik Deutschland, wo die nominalen

Bruttolöhne das erste Mal seit dem Zweiten Weltkrieg gefallen sind.

Darauf bezieht sich auch meine erste Frage: Halten Sie eigentlich fallende Nominallöhne aus geldpolitischer Sicht für eine Gefahr für die Stabilität, oder finden Sie, dass das keinerlei Gefahr darstellt?

Die zweite Frage bezieht sich auf das von Ihnen angesprochene Geldmengenwachstum: Hat nicht dieses Geldmengenwachstum weitaus mehr mit veränderten Verteilungsverhältnissen zu tun? Denn wenn Vermögenseinkommen überproportional steigen, ist klar, dass auch die Anlagegelder überproportional steigen. Das hat allerdings dann wenig Auswirkungen auf Inflationsraten, sondern stellt – wenn überhaupt – eine bestimmte Gefährdung dar, was Blasenbildung an Vermögensmärkten angeht. Aber wo sehen Sie irgendwelche Anzeichen dafür, dass dieses Geldmengenwachstum Rückkoppelungen mit den Gütermärkten haben könnte, sprich, auf die Gütermärkte zurückfließt? Geht es hier in Wirklichkeit nicht mehr um eine Frage der Verteilungsverhältnisse?

1-027
Jean-Claude Trichet, *ECB***. –** As regards the first question, there are two ways of increasing domestic demand. I oppose the two possible extreme ways. One would be that you would largely increase wages and salaries and then you would nominally have what you are implicitly calling for, i.e. an increase in domestic demand. Another way would be to look very carefully, sector by sector, firm by firm, at what is necessary to be competitive, to maintain jobs, to create jobs and to reduce unemployment. Perhaps for each particular employee the result is nominally different, but you might have the same result in terms of domestic demand through increased jobs. That, it seems to me, is a very important remark. I understand that, at the level of the various firms in all economies in Europe, under pressure from intensifying competition. It is very important that we do not lose sight of the idea that there are two ways of increasing domestic demand. Common sense would suggest that the method that involves reducing unemployment is probably the best one.

As regards money supply, you raise a very important point, which is to see whether there is a link between this abundant liquidity that we are observing and asset inflation. However, but if you really think there is a very strong link, that would be an additional reason for us to be cautious and prudent, and certainly not a reason to be imprudent and to abandon caution, because this pressure would be brought to bear on asset inflation instead of on the Consumer Price Index. Clearly it would reinforce the need for caution, but again, the question is very pertinent because it really is something we have to look at very carefully.

1-028
Sahra Wagenknecht (GUE/NGL). – Ich wollte trotzdem noch einmal auf die erste Frage eingehen. In Deutschland sind die Löhne nicht nur in einzelnen Branchen gefallen, sondern sie sind erstmalig tatsächlich als Aggregat, also die gesamten Bruttolöhne, nominal um insgesamt 6 Milliarden gesunken. Sie haben nicht auf meine Frage geantwortet: Halten Sie im Aggregat sinkende Nominallöhne für einen Beitrag zur Stabilität oder eher für eine Gefährdung der Stabilität?

1-029
Jean-Claude Trichet, *ECB***. –** Again, I respond in telling you that it is important the various sectors and firms concerned remain competitive to preserve and create jobs in Germany because, clearly, unemployment is at a level which is not necessarily acceptable, as you and I would probably agree. So, again, my interpretation is that everything should be done to go in that direction. I would be very clear on that.

1-030
La Présidente. – Merci beaucoup. Nous en venons au deuxième tour d'interventions et donc, un tour qui devrait être davantage concentré sur les questions de l'élargissement de la zone euro.

1-031
Karsten Friedrich Hoppenstedt (PPE-DE). – Herr Präsident! Sie haben ja angedeutet, dass sich zwei Mitgliedstaaten in einer akzeptablen Situation für den Eintritt in das Währungssystem befinden und fünf weitere sich annähern. Glauben Sie, dass die fünf weiteren sich in den nächsten Jahren in der Form entwickeln können, wie Sie sich das vorgestellt haben?

Wir haben als Ausschuss Litauen besucht, wo positive Signale ausgesendet wurden und auch die Erwartungshaltung der Menschen sehr groß ist. Gibt es hier vielleicht noch etwas konkretere Aussagen Ihrerseits?

1-032
Jean-Claude Trichet, *ECB***. –** You mentioned two and five. As far as I am concerned we have seven countries out of the ten newcomers and the seven at this moment are in ERM II. They did not enter at the same time, but the seven are in the mechanism.

As regards any specific individual country, again I said that I do not want to prejudge the convergence report that we will draw up and which will be approved by the General Council. Neither will I prejudge the Commission report. All I will say is that we will look very carefully at the criteria with a view to fully respecting the Treaty. These criteria should not only be respected in a snapshot, but must also be sustainable over the medium- and very long-term, because entering the euro area is forever. I will not comment on any particular country and I shall only say that we will see exactly who is ready at the time.

1-033
Karsten Friedrich Hoppenstedt (PPE-DE). – Das ist die eine Seite, die technische Betrachtung unsererseits, Ihrerseits, des Rates Wirtschaft und Finanzen und der Kommission. Meine Nachfrage: Wie sieht die Situation in den Ländern aus Sicht der Bevölkerung aus? Geht sie in Richtung Akzeptanz der Euro-Situation oder nicht? Man kann hören, dass sich durchaus sehr

unterschiedliche Meinungen innerhalb der Mitgliedstaaten bzw. der eben genanten Staaten entwickeln.

1-034
Jean-Claude Trichet, *ECB*. – It depends very much on a country-to-country basis, on the attitude of the executive branches and whether or not they have decided to propose to their own political democracy a certain date to enter or not to enter. In the case of the seven countries that are members of ERM II and have no opt-out clause – none of the ten has an opt-out clause – those seven have all told their own country that they would like to enter at a certain date. That is known. The interaction between the executive branches and their own public is really, as far as I see it, a very important and perhaps decisive issue. Again, I will not comment on any particular country.

1-035
José Manuel García-Margallo y Marfil (PPE-DE). – Señor Presidente del Banco Central Europeo, dos hechos: en el boletín mensual de febrero del Banco Central Europeo se dice que el precio de la vivienda está sobrevalorado en algo así como un 30 %. En su respuesta al señor Goebbels, ha dicho usted que la situación difiere país por país, lo cual me hace pensar que un aumento de los tipos de interés para corregir el problema no sería la receta más adecuada.

La pregunta es: desde su promontorio, como centinela de la vigilancia de precios, ¿qué medidas recomendaría usted para evitar una caída brusca que tendría consecuencias económicas realmente terribles para la actividad económica?

1-036
Jean-Claude Trichet, *ECB*. – First of all, when we take a decision we have to pool together a vast amount of information and parameters. This is true for the ECB and for all the central banks in the world. All economic parameters are involved in ascertaining the level of threats and risks to price stability. Information from the real estate sector is important. That is one of the parameters. It is one of the parameters in the economic analysis that is closely linked with the monetary analysis – the other pillar on which our monetary policy concept relies. We are of course integrating this data and these observations into our decisions. We did that in the last decision; we will certainly do that in future decisions. That being said, if I understood the question correctly, you mentioned both. Perhaps there is the element of an asset bubble in some cases, but please beware that the bubble may burst. We will see, and we will be cautious enough to judge the situation to the extent that it is moving, but perhaps the most important responsibility we have today would be to avoid further inflation of the bubble itself at the present time. That is really what we consider important at present.

1-037
José Manuel García-Margallo y Marfil (PPE-DE). – Yo le preguntaba una cosa más concreta. Si esto es algo que le preocupa −y estoy seguro de que, aunque duerma bien, el tema de la inflación de los precios de la vivienda le preocupa−, ¿cuáles son las recomendaciones? ¿Qué habría que hacer para evitar una explosión del precio de la vivienda?

1-038
Jean-Claude Trichet, *ECB*. – As far as we are concerned, we will take the appropriate decisions we judge to be appropriate, not forgetting that the needle of our compass is price stability: it is as simple as that. All direct links that somebody is establishing between one parameter or another and our monetary policy decisions do not fit with what we are doing, which is again to be sure that in the medium term we deliver price stability and we are credible in delivering price stability.

Going back to real estate, we have the overall financial environment for which we are, for a large part, responsible; we also have the national environment. Parliaments and executive branches also have to look very carefully – each of them in their own national environment – at whether there are anomalies that could contribute to what is observed; whether the taxation framework is fully correct from what they observe in their own country; whether the legislation which deals with the allocation of credit to households is correct; whether the modernisation and the integration of the financial market is correct; and so on. We have a lot to do in this field and in a number of others at national level, taking into account the framework of economic and monetary union. That includes a single currency, responsibilities that are exercised at the level of the centre – in particular the judgment of the fiscal policies in the Stability and Growth Pact – and a lot which is done at national level. Responsibilities must not be neglected at national level.

1-039
John Purvis (PPE-DE). – I hope you will forgive me if I pursue the housing issue a bit further, but it is more in the context of the American relationship, because there is a big bubble in America in the housing area as well. I wonder whether you have had contact with your new opposite number on the other side of the Atlantic, because I understand that he is threatening to raise interest rates. Could that explode his bubble? You have a bubble to worry about on this side of the Atlantic. Is there any collusion going on to try and solve this transatlantic problem?

1-040
Jean-Claude Trichet, *ECB*. – Firstly, we have a very friendly, close relationship with the Federal Reserve. It is certainly of the utmost importance in the today's world. We have had a lot of exchanges on such matters during meetings of the G-10, the global economy meeting in Basel, meetings with the governors of the national central banks and meetings between the ECB and the Federal Reserve. We have exchanged analyses.

Speaking with great caution, the Federal Reserve's analysis is that it is not in a situation which is as acute as the one you have mentioned, both in terms of present market situation and in terms of possible developments in the future. However, I speak with great caution

because the Federal Reserve is best placed to comment on its own market. The drama which was implicit in your question does not seem at all to be confirmed by research the Federal Reserve has carried out.

It is true that we have observed – including in a number of industrialised countries in the euro area – a long-term tendency for asset prices to go up and up. That is true for real estate, but it does not apply exclusively to that area. This calls for research in the various continents and at global level to better understand what exactly is at stake in this phenomenon that has been clearly visible for a long period of time: a trend of asset price increases which seems to fit in with the present working of the global economy. I will not give you a full explanation today. We are working on it.

1-041
Udo Bullmann (PSE). – Herr Präsident! Kollege Purvis ist die Sache vergleichend angegangen. Die Eurozone hat eine Inflationsrate von rund 2,2 % über die letzten fünf Jahre; die des Vereinigten Königreichs liegt höher, bei 2,4 %; die Amerikaner haben 2,5 %. Aber unsere Lohnentwicklung ist deutlich niedriger: Wir haben 2 % jährlich, im Gegensatz zu 3,9 % in den USA oder 4,5 % im Vereinigten Königreich.

Können Sie – erinnernd an die Diskussion, die Kollege Radwan begonnen hat – Beispiele dafür nennen, wie die Energiepreise in der Eurozone zu Zweitrundeneffekten geführt haben, oder müssen wir nicht sehen, dass die Lohnzurückhaltung entscheidende Verantwortung dafür trägt, dass wir relativ stabile Inflationsraten haben?

1-042
Jean-Claude Trichet, *ECB***. –** I understand your question and would like to make additional comments. First of all, the most recent figure we have as regards inflation is not 2.2%, but 2.4%. As you know, we look at inflation from a medium-term perspective, so it is the inflation to come which is important for us. Nevertheless, the most recent flash estimate is 2.4%.

As regards the development of wages and salaries, for very good reasons these developments have not been the same across the euro area. I shall concentrate a little on Germany. I do not like to do this too much, because I have the whole of the euro area in front of me – the 313 million fellow citizens that make up this area – and we have to look at it and reflect on the best interests of those 313 million people. This is the Treaty, this is what we are called upon to do, and it is the only justification we have for the Governor of the Bank of Luxembourg and the Governor of the *Bundesbank* to have one voice. If they were looking out for their own national interests, there would be a collision of national interests which would not fit in at all with what is needed. Each of us has to look at the whole area.

Having said that, it is clear that there was an issue of cost competitiveness in the case of Germany, which was probably the unavoidable legacy of reunification. That was a very important issue. I understand very well that increases in unit labour costs have been lower year after year in that particular economy than they have on average in the euro area. That situation had nothing to do with the euro. It would have been exactly the same without the euro. Appropriate counter-measures were called for to bring back an appropriate level of cost competitiveness. It seems to me that is what is behind this observation. Had it not been done, the situation would have been very difficult, because a lot of additional firms would have lost their competitive edge. Then the situation would have been very difficult.

We have come back to what I have said before on an appropriate balance between additional wages and salaries given to those who have jobs and the problem of the volume of the jobs themselves in a situation where we all know that at a global level – and this is true for all economies – there is clearly an intensification of competition.

1-043
Udo Bullmann (PSE). – Herr Präsident! Verstehe ich Sie richtig, dass Sie in den letzten Jahren keine Zweitrundeneffekte in der Eurozone entdecken konnten?

1-044
Jean-Claude Trichet, *ECB***. –** No, I did not say that at all. In the case of Germany, I explained why you had observed slow, below-average unit labour cost developments. It was a necessity and it was done for very good economic reasons. I confirmed that at the level of the euro area as a whole, as I speak, I see many high risks. We have not documented second round effects as regards wages and salaries. If we were looking at them, it would be too late, because that would destabilise the credibility of delivering price stability, we would have increases in medium- and long-term market interest rates, and so on. So it is very fortunate that we do not observe that; it is a necessity that we do not observe that, and of course in exchange we are guaranteeing to ourselves that our vigilance is such that we will deliver price stability ourselves. This is the real quid pro quo. We are here to convince people that we will deliver price stability. The global market and the global observers are convinced, and of course it is important that we do not have second round effects in any field. We mention wages and salaries because they are very important prices in the economy, but the same is true for all the other prices that depend on expectations. If the anchoring of inflationary expectations is not as good as it is today, that could also destabilise the situation.

1-045
Antolín Sánchez Presedo (PSE). – El tema va a ser sobre el tema de la comunicación.

La comunicación del Banco Central Europeo es fundamental para transmitir confianza, para hacer predecible su política y, al mismo tiempo, para que se vea que es una política consistente y realmente, respecto a la predictibilidad de la situación del Banco Central Europeo, comparativamente merece una elevada valoración.

Hay algunas cuestiones que se refieren a la vía en la que se comunican algunas de sus decisiones. Yo, por ejemplo, lamento que la pasada subida de tipos de interés se anunciara dos días antes de su comparecencia en este diálogo monetario y no se pudiera hacer en el Parlamento.

En lo que se refiere a la conferencia de prensa del Presidente o los informes de política monetaria o los anuncios de previsiones, que tienen una mayor periodicidad y son más intensos, hay algún aspecto que se ha comentado en relación a las deliberaciones y votos en el Consejo.

Comprendo que ésta es una cuestión delicada, y que el funcionamiento del Banco Central Europeo tiene un carácter acusadamente colegiado. Pero se ha propuesto que hubiera alguna fórmula como, por ejemplo, que se pudiera conocer el contenido de las deliberaciones aunque no de quién realiza las intervenciones, es decir, el contenido de las intervenciones sin identificar a los autores. Se dice que esto podría generar una mayor tendencia a la cautela e incluso a la prudencia. ¿Tiene usted algún comentario a este respecto?

1-046
Jean-Claude Trichet, *ECB*. – Thank you very much indeed for your questions. First, on the credibility of the ECB, I would say very solemnly in front of you that for me to be able to say, without being refuted, that today, seven years after having created the euro, we have a level of credibility that equals the best and the brightest of the currencies that existed before the creation of the euro, despite the fact that the currency applies not to 80 million people, but to 313 million people! That is something very remarkable that nobody had foreseen before the creation of the euro. Nobody! Everybody thought that a price would have to be paid to have a currency for 313 million people. It is absolutely remarkable. So, although I accept many of the remarks I hear, I should point out that, on the whole, there are positive judgements from investors and savers in Europe and the rest of the world as regards the set of features, our monetary policy concept, the way we operate and the way we communicate. It is positive, and that is something I have observed.

On communication, we were the first central bank to introduce real-time, detailed explanations of our analyses and of the reasons behind our decisions. Before January 1999, the rule at the level of all central banks in the world was that you would have to wait for five or six weeks to get the famous minutes, and then you would know why interest rates had decreased or increased. So we introduced the President's Introductory Remarks at a press conference in order to explain in as detailed a fashion as possible what we had done and why we had done it. And we changed. We changed the state of the art of central banking, because now it is unthinkable for a central bank not to explain – at least in a communiqué with some explanation – the reason why a decision has been taken. So we are proud of that. We decided from the very beginning – and I believe it to be an appropriate decision in our case – that we would not publish roll-call votes, because we are running a single currency for 12 sovereign countries that are in a very complex European framework – you know that better than anybody! And so we decided that we should communicate as the College as a whole, the Governing Council as a whole, the Executive Board as a whole. I believe that it is appropriate in our case.

1-047
Sophia in 't Veld (ALDE). – On the issue of enlargement, you said that the criteria will have to be applied equally to all countries. However, some experts believe it will be almost impossible for the new countries to meet the exchange rate and inflation criteria on time. Could you comment on that, please?

1-048
Jean-Claude Trichet, *ECB*. – This is a very important question economically. The question is to see what the extension of the Balassa-Samuelson effect will be. All our research has concluded that this effect was modest in size, that it did not hamper or damage the Maastricht Treaty criteria, and that this slight touch of Balassa-Samuelson cannot cast any doubt on the wisdom behind the existing criteria. This effect existed before we embarked on enlargement; it existed for a number of economies currently in the euro area; but again, all our analyses confirm that there is no danger in that regard.

1-049
Sophia in 't Veld (ALDE). – Regarding the criterion of keeping the budget in balance, I was curious to hear your assessment of those countries that have introduced systems with a flat-rate tax, which has been criticised by some, who say that it would undermine budgets. I would like to hear how you see that, in particular as regards some of the new countries, future eurozone members and candidate countries such as Romania, for example.

1-050
Jean-Claude Trichet, *ECB*. – No, we did not embark on qualifying a particular structure of taxation or particular way of organising the receipts of the budgets. We stick to the rigorous implementation of the Stability and Growth Pact.

As regards the functioning of economic union as a whole and the functioning of the euro area, it is clear that a number of economies have a level of public spending as a proportion of GDP which is lower – from time to time much lower – than others. Your own country is an example of that.

I do not think it would be credible to tell those countries that they should significantly increase their spending in order to significantly increase their taxation. We have to understand that those countries with a lower level of public spending have an advantage. Undoubtedly, today – and this goes for the euro area and the European Union – an entity such as a state which is very well managed gives its economy a competitive advantage. I think it is also true in the US. If you are in a very well managed state in the US, you have a degree of competitive

advantage which goes with the good management of the country itself.

1-051
Margarita Starkevičiūtė (ALDE). – The *Bundesbank* recently expressed some concern over the enlargement of the eurozone. Some analysts also say that new Member States have to catch up and then enter the eurozone. Do you see the process of catching up as an obstacle to entering the eurozone? Do you think that the process of catching up is compatible with membership of the eurozone?

1-052
Jean-Claude Trichet, *ECB***. –** The catching-up process is certainly compatible with membership of the eurozone. We have very good examples that prove this statement. At the level of the euro system as a whole and at the level of the ECB and its Governing Council, we say 'the Treaty, nothing but the Treaty, all the Treaty, nothing more than the Treaty'. I said that myself in my introductory remarks. The Treaty itself says that the criteria must be met, not only in terms of a snapshot of arithmetical analysis, but also in a sustainable fashion. But this is the Treaty, nothing but the Treaty, all the Treaty.

1-053
Margarita Starkevičiūtė (ALDE). – I have a follow-up question about the sustainability of criteria. Analysts' opinions vary greatly over what 'sustainability of inflation criteria' means for countries that are catching up. Prices have to converge with the EU average. Maybe you could tell us a little bit about how you feel sustainability works under the conditions in the countries that are catching up.

1-054
Jean-Claude Trichet, *ECB***. –** As you know, the Maastricht criteria permit a certain distance between what is observed in the particular country or economy wishing to enter the euro area and the three best performers. So the Treaty gives room for manoeuvre. I reiterate: 'all the Treaty, nothing but the Treaty'.

As regards this implicit idea you have that the catching-up exercise would also call for a permanent inflation differential for a certain period of time, we come back to the previous question – which again is a very pertinent question – as to what the amplitude of that catching-up effect is. Economists call it the Balassa-Samuelson effect. Our analysis is that it is perfectly compatible with the overall functioning of the system and with the criteria.

1-055
Guntars Krasts (UEN). – Prezidenta kungs! Šobrīd, pirms eirozonas paplašināšanās, aktuāli ir nominālie konverģences kritēriji, un Centrālā banka uzmanīgi uzrauga jauno kandidātvalstu situāciju, pirmkārt, jau attiecībā uz inflācijas rādītāju, ko jau tikko kolēģi iztaujāja. Taču tuvākajā laikā, eirozonai paplašinoties, aktualizēsies jauno eirozonas valstu reālā ekonomiskā konverģence, kas būs patiesībā centrālais jautājums arī Eiropas kopējās konkurences spējai un Eiropas kopējai izaugsmei. Vai Eiropas Centrālā banka uzskata, ka pēc nākošās eirozonas paplašināšanās tai būtu jāaktivizē tās politika reālās konverģences veicināšanai, varbūt ar kāda politikas mehānisma palīdzību, ar kādu jaunu institūciju veidošanu? Kāds ir Jūsu skatījums šajā ziņā?

1-056
Jean-Claude Trichet, *ECB***. –** First of all, a general remark: we are running the single currency with a very clear mandate. That mandate will remain the same. We will have to deliver price stability in line with our definition; we will have to be credible in this delivery. This will allow us to maintain and preserve a financial environment which would be favourable for medium- and long-term rates. We will do that whether there 12, 13, 14 or 15 of us. We will continue to do that and it is our duty. It is absolutely out of the question that we would change anything in our own view because we are enlarging. That would suggest that the quality of the currency is changing. The quality of the currency will be exactly the same. We are the guarantor of the quality of the currency. That is absolutely clear.

A second remark: I well understand that the strategic impact of the entry of ten new countries is enormous. Ten new sovereign countries joining Europe is also something which is extraordinary and very moving. We can compare the GDP of the 15 – I am not talking about the euro area now, but about the EU – with the consolidated GDP of the ten newcomers, as we compared the GDP of Spain and Portugal with that of the European Union at the time they acceded. I was amazed to compare these figures, because Spain and Portugal would represent 8% of the overall GDP of the European Union at the time of their entry accession. At the time of their accession, the 10 newcomers represented something like 5% of the total GDP of the 15. So we are seeing a phenomenon which, in economic terms, is something that we know. We have already managed to do that. Who today would say the accession of Portugal and Spain was totally dramatic, it created a lot of problems, etc. Everybody knows the accession of Spain and Portugal was a reason to rejoice. So I am very optimistic. I think we should be conscious of the fact that it is a fantastic chance for Europe and for the European Union. Tomorrow, all criteria being met, it will be a chance for the euro area.

1-057
Guntars Krasts (UEN). – Un otrs jautājums ir šāds. Jūs minējāt, ka Ballasa-Samuelsona efektu jūs esat novērtējuši, un tā ietekme nav tik liela, lai varētu runāt par to, ka tas būtu šķērslis jaunajām valstīm iekļauties Monetārajā savienībā. Tajā pašā laikā ir valstis, piemēram, Igaunija un Latvija, kur valdību un centrālo banku rīcībā ir palikuši ļoti maz monetārie līdzekļi vai kādi citi līdzekļi, lai ietekmētu inflāciju, jo budžets ir sabalansēts vai ar nelielu deficītu, sabiedriskais parāds ir niecīgs — 10% līmenis. Tātad jautājums ir, vai jūs šo studiju varētu iepazīstināt ar Ballasa-Samuelsona efekta ietekmi arī šajās valstīs, piemēram, Igaunijā un Latvijā, kur inflācija ir relatīvi augsta?

1-058

Jean-Claude Trichet, *ECB*. – Again, we have many situations on a country-to-country basis: I have in mind countries where the huge inflation differential seems very largely due to the inappropriate handling of the economic policy at national level. However, there are others where, on the contrary, you see much better results. However, when all is taken into account, this pure catching-up situation associated with the Balassa-Samuelson effect is, in our analysis, sufficiently modest not to hamper the pertinence of the criteria.

1-059
Zsolt László Becsey (PPE-DE). – I would like a short reply to a short question. If the new Member States want to join on 1 January 2007, when do you prepare your analysis? Do you consult the Commission? When will you present it to Parliament and Council? We have ten months to go.

Secondly, as regards enlargement of the eurozone and the catching-up process, you mentioned the Balassa-Samuelson effect. With this large economic gap – and taking into consideration the fact that these new Member States will perhaps join the labour market after entering the eurozone – they will have a very limited effect for the traditional trade services. They will only get agricultural subsidies later on. How will you cope with these effects which will come about after they join the eurozone? This will effectively mean an inflationary effect after they join the eurozone.

1-060
Jean-Claude Trichet, *ECB*. – First of all, as regards the timetable, I will only say that we are in close contact with the Commission to have the best organisation possible. I mentioned that we would probably have the reports for all the countries concerned, because you know that we have these convergence reports every two years. It is a question of batch processing of the convergence report. That will be done in the second half of this year.

As regards your question, I would say that of course there is a complex set of situations associated with labour market mobility that you mentioned, and with the decisions that could be taken in terms of the services directive. All in all, we do not believe that this particular situation will hamper the appropriate functioning of the euro area itself. So it would be a matter for the countries concerned – if they confirm their wish to join and if they meet the criteria on the basis I have already mentioned – to handle their domestic and economic policies in the best fashion possible. We do not consider that they would be ineligible a priori, taking into account the specific situations you have mentioned.

1-061
Pervenche Berès (PSE). – Permettez-moi, Monsieur le Président, de revenir sur un aspect que vous avez mentionné s'agissant de cet élargissement de la zone euro. Vous avez fait savoir que vous appliqueriez le traité, rien que le traité, et tout le traité. S'agissant de la constitution de la zone euro, ce traité date de 1992, donc à un moment où la définition même des critères de l'élargissement de l'Union européenne, en tant que telle en 1993, n'était pas encore d'actualité et où personne n'en avait encore une vision claire. En ce qui concerne les critères qui ont été retenus aujourd'hui, certains s'interrogent sur la façon dont ces critères pourraient s'appliquer aux nouveaux États membres, dans des situations économiques dites de rattrapage, avec des contradictions possibles entre taux d'intérêt, déficit public, etc.

Comment évaluez-vous cette situation? Lorsque la zone euro elle-même a été constituée, on a vu qu'une certaine marge d'appréciation a été réservée pour des critères qui n'étaient pas strictement les critères dits "du traité". Est-ce que vous imaginez, dans la situation présente, qu'une telle marge d'appréciation pourrait exister au sein du Conseil? Et s'agissant de votre référence aux bénéfices pour l'ensemble de l'Union européenne de cet élargissement de la zone euro, comment évaluez-vous l'impact d'un tel élargissement sur le fonctionnement même de la zone euro, telle qu'elle existe aujourd'hui? Là, je m'adresse à vous, plus en tant qu'Européen ayant une vision globale de la situation qu'en tant que Président de l'Institution monétaire elle-même. Vous savez certainement que beaucoup de membres de cette commission s'interrogent sur l'absence de coordination des politiques économiques au sein de la zone. Bien que ce ne soit pas nécessairement une priorité de la Banque, cela fait bien partie du débat public et cela fera partie des éléments qui seront dans l'esprit d'un certain nombre d'intervenants au moment où l'élargissement de la zone sera à l'ordre du jour. Par rapport à toutes ces considérations, je voudrais avoir votre sentiment ou votre réaction.

1-062
Jean-Claude Trichet, *BCE*. – L'intégration dans un vaste ensemble économique d'un groupe d'économies qui se trouvent à un niveau de produit intérieur brut par tête substantiellement inférieur, n'est pas un phénomène nouveau. Lorsque l'Espagne et le Portugal sont entrés dans l'Union, ces pays avaient un niveau de vie par tête qui était un peu au-dessous de la moitié de la moyenne de ceux qui étaient déjà dans l'Union à ce moment-là. Donc, il y avait un écart substantiel.

Lorsque nous avons négocié le traité de Maastricht, un certain nombre de pays, aujourd'hui dans la zone euro, avaient – et ont encore d'ailleurs – un niveau de vie par tête inférieur à la moyenne. Je pense à la Grèce et au Portugal quand ils sont rentrés. On pourrait citer d'autres pays. Donc, ces phénomènes ne sont pas nouveaux: c'est ma première observation. J'ai cité tout à l'heure des chiffres qui montrent que nous ne sommes pas en présence d'un élément qui a changé de nature – ce pourrait être le cas si d'autres pays très importants les rejoignaient –mais, à ce stade, nous ne sommes pas en présence d'un changement de nature. C'est le même problème qui nous est posé. On l'a déjà résolu dans le passé et je ne vois pas pourquoi on ne le résoudrait pas dans l'avenir.

Autre remarque, il est évidemment légitime que nous-mêmes – surtout au PE – nous nous posions le problème de la césure: il y a l'avant- entrée dans l'Union européenne et l'après-entrée dans l'Union européenne. De même qu'il y a l'avant-entrée dans l'euro et l'après-entrée dans l'euro. Ce sont des césures extrêmement importantes. Il faut bien voir que, sur le plan économique, c'est dès la chute du rideau de fer, que le problème de transformation structurelle de l'économie de l'Europe occidentale a été posé; c'est dès ce moment là, bien avant l'entrée dans la zone euro, que des décisions d'investissement ont été prises, que les pays du centre et de l'est de l'Europe ont commencé à se transformer. Du point de vue économique, du point de vue des investissements étrangers, il y a une continuité presque totale. C'est ainsi qu'on investissait beaucoup en Slovaquie dans le domaine de l'industrie automobile avant l'entrée. On a continué à investir, on continue à investir. Je crois qu'il faudrait se garder de penser qu'il y a là un phénomène qui comprend des solutions brutales de continuité; non, c'est plutôt une évolution progressive. D'ailleurs, je le dis, en tant qu'économiste, cette évolution me paraît en voie de réussite: les chiffres sont très impressionnants. L'intégration à la fois commerciale et sous l'angle des investissements étrangers est très remarquable dans l'ensemble. Bien sur, il y a des différences de pays à pays.

1-063

Dariusz Rosati (PSE). – I wanted to follow up on this point on catching up and the Balassa-Samuelson effect. You said that ECB research shows that this effect is small or negligible – at least it does not pose any problems for the convergence criteria in terms of inflation. On the other hand, you said you see no problems with rapid catching-up. Given that catching up is to a large extent the result of the Balassa-Samuelson effect, I would like you perhaps to comment on whether there is a full consistency between these two views.

My second question concerns sustainability of the criteria. Of course, the new Member States are not very happy with these convergence criteria, because a number of doubts have been raised by renowned economists. What is in the Treaty has to be observed, but, on the other hand, you also insist on sustainability. That sustainability has never been defined, which means we are asking ourselves to what extent this means that these criteria should be followed for a longer period of time. Or perhaps there will be some other discrete form of assessing sustainability? Could you perhaps shed some light on this, because it is important for the new Member States in preparing themselves for entry into the eurozone.

1-064

Jean-Claude Trichet, *ECB***. –** On the sustainability of the criteria, as you say, it is in the Treaty and it is a matter of judgement. We will make our judgement, the Commission will make its judgement and then the ultimate decision lies with the Council, as you know.

What we see as regards sustainability is very visible, in some cases including inflation. We have a good understanding of the developments in inflation over time. We therefore have a better capacity to forecast these developments and this also applies to growth. If you look at a particular situation in a window of opportunity of three or four months where inflation would be in the bracket authorised by the Treaty, but you know in advance that it will then move out of that bracket, then it is clear. If it is the case for the ECB, I am sure in advance that our colleagues when judging the convergence criteria will say no. Perhaps what we are seeing today is in line with the Treaty, but it is not sustainable: it is as simple as that.

There is another question which is the longer-term functioning inside the euro area. According to all our research, what we see as the long-term average Balassa-Samuelson in terms of additional inflation does not seem to us to contradict the sustainable compliance with the inflation criteria as defined by the Treaty. My understanding is that Commission is of the same opinion. We do not have an extraordinary opinion in this respect.

1-065

Evgeni Kirilov, *Bulgarian Observer***. –** As an Observer from Bulgaria, I would like to mention that you probably already have some thoughts about the countries that joined the European Union, the countries in the monetary board, and the other countries. How does it influence the overall capability of these countries to adjust to the process? In particular, we are very worried by the fact that the trade deficit is growing much more quickly than it is in countries which are more flexible with regard to their monetary policy. Do you have any observations on that, or any advice as to how these countries should prepare for accession?

1-066

Jean-Claude Trichet, *ECB***. –** First of all, you have given me the opportunity to mention the fact that the members of staff and the governors of the national central banks of Bulgaria and Romania are invited to the ESCB committee meetings. They come as observers to the General Council, but they participate fully in all that is done at the level of the 25 inside ESCB. So we have permanent contact. I am to visit Bulgaria myself. I would say that we are trying to prepare in the best fashion possible and with the best European spirit possible as is clearly done here. We share that concept.

As regards the Currency Board, we have decided very clearly in working out the position of the euro system as regards the monetary stability of the currency criteria in the Treaty. We said we cannot accept 'euro-isation'. Adapting the euro is not a way of bypassing the Treaty and being seen as stable. Nevertheless, we would accept that the Currency Board could decided upon by the country concerned and we would accept that the Currency Board should continue by the will of the country and the central bank concerned in the exchange rate mechanism. It goes without saying that this will be at the risk of the country concerned, which will make its own decision. For our part, we would run the mechanism exactly as we would run it for any other currency with

any other country. So we have no involvement at all in the Currency Board. So again with all these precautions we have not rejected the Currency Board as being a reason for ineligibility in respect of the currency stability criteria.

1-067
Alexander Radwan (PPE-DE). – Herr Präsident! Eher eine simple, banale Frage aus Sicht eines Abgeordneten. Wir werden ja voraussichtlich spätestens nächstes Jahr im Ausschuss und im Europäischen Parlament über die neuen Kandidaten für die Eurozone abstimmen. Mit Blick auf die letzten Entscheidungen hatten wir im Nachhinein einige Überraschungen, was die Datenlage betraf. Das wollen wir jetzt natürlich vermeiden. Nach dem, was wir bisher gehört haben, ist das Recht der Kommission, entsprechende Daten zu kontrollieren und bei den Mitgliedstaaten einzuholen, nicht gestärkt worden.

Wie beurteilen Sie die Daten, die uns vorgelegt werden, und wie könnten wir es schaffen, ein Stück mehr Verlässlichkeit zu haben? Ich kann heute schon ankündigen, dass es für uns eine der Kernfragen gegenüber der Kommission sein wird, wie verlässlich die Daten sind, die uns vorgelegt werden.

1-068
Jean-Claude Trichet, *ECB***. –** It is a fundamental question. We will be fully reassured when we have statistical institutions in each country that are independent and function on a bipartisan or multipartisan basis and when the centre – namely the Commission or Eurostat or a similar body – has a fully-fledged capacity to audit and monitor this independent institution. As long as we do not have that, we are not entirely satisfied, because we see very abnormal behaviour. We see that it is perfectly possible in a number of countries that any political change might trigger a totally different point of view as regards the figures themselves, and so we are lost because we will have a national audits contradicting what had been said before. In this respect, we are still at a level which has to be improved. I can see that in some countries – including the US – there can be a high level of disputes on policies between the various political persuasions …

Interjection from Mrs Berès: 'Even on election results!'

… yes, on a number of very important issues, but not on the figures of the budget, because we are talking about an institution which is credible and reliable, and considered to be reliable by those of all political persuasions. I would hope very much that we proceed in Europe in the direction I suggest. This, however, supposes that there are two layers: it supposes that at national level there is a credible independent institution with the confidence of all political persuasions; and it supposes that there is a monitoring element to be exercised with real power at European level. We do not have that yet, and I would call for improvements in this respect.

1-069
La Présidente. – Merci beaucoup, Monsieur le Président, de cet échange que je crois très fructueux. Nous allons poursuivre notre dialogue sous une forme un tout petit peu différente, puisque vous nous faites le plaisir d'être avec nous comme key-note speaker pour le dîner que nous organisons avec nos collègues des parlements nationaux sur un thème qui sera un tout petit peu voisin mais plus concentré autour des enjeux de croissance et de stabilité des prix au sein de la zone euro. Nous vous donnons rendez-vous pour cet échange officiel le 21 juin prochain et d'ici là, nous aurons une présentation du rapport annuel de la Banque Centrale par M. Papademos le 25 avril et l'audition de M. Jürgen Starck le 18 avril, avant un vote en plénière en mai. Je vous souhaite une bonne soirée et je me réjouis de poursuivre ce débat avec vous de manière informelle, dans un an.

(La réunion est levée à 19h00)