1-001

КОМИСИЯ ПО ИКОНОМИЧЕСКИ И ПАРИЧНИ ВЪПРОСИ
ДИАЛОГ ПО ПАРИЧНИ ВЪПРОСИ С Г-Н ЖАН-КЛОД ТРИШЕ, ПРЕДСЕДАТЕЛ НА ЕЦБ
(съгласно член 113, параграф 3 от Договора за ЕО) БРЮКСЕЛ,
ПОНЕДЕЛНИК 21 ЮНИ 2010 Г.

COMISIÓN DE ASUNTOS ECONÓMICOS Y MONETARIOS
DIÁLOGO MONETARIO CON JEAN-CLAUDE TRICHET,
PRESIDENTE DEL BCE
(de conformidad con el apartado 3 del artículo 113 del Tratado CE)
BRUSELAS, LUNES 21 DE JUNIO DE 2010

HOSPODÁŘSKÝ A MĚNOVÝ VÝBOR
MĚNOVÝ DIALOG S PREZIDENTEM EVROPSKÉ CENTRÁLNÍ BANKY JEANEM-CLAUDEM TRICHETEM
(podle čl. 284 odst. 3 Smlouvy o fungování EU)
BRUSEL,
PONDĚLÍ 21. ČERVNA 2010

ØKONOMI- OG VALUTAUDVALGET
MONETÆR DRØFTELSE MED ECB's FORMAND,
JEAN-CLAUDE TRICHET
(i overensstemmelse med artikel 284, stk. 3, i traktaten om Den Europæiske Unions funktionsmåde)
BRUXELLES, MANDAG DEN 21. JUNI 2010

ΟΙΚΟΝΟΜΙΚΗ ΚΑΙ ΝΟΜΙΣΜΑΤΙΚΗ ΕΠΙΤΡΟΠΗ
ΝΟΜΙΣΜΑΤΙΚΟΣ ΔΙΑΛΟΓΟΣ ΜΕ ΤΟΝ κ. JEAN-CLAUDE TRICHET,
ΠΡΟΕΔΡΟ ΤΗΣ ΕΚΤ
(σύμφωνα με το άρθρο 113, παρ. 3, της Συνθήκης ΕΚ)
ΒΡΥΞΕΛΛΕΣ,
ΔΕΥΤΕΡΑ 21 ΙΟΥΝΙΟΥ 2010

COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS
MONETARY DIALOGUE WITH JEAN-CLAUDE TRICHET,
PRESIDENT OF THE ECB
(pursuant to Article 284(3) of the

Treaty on the Functioning of the European Union)

BRUSSELS, MONDAY, 21 JUNE 2010

COMMISSIONE PER I PROBLEMI ECONOMICI E MONETARI
DIALOGO MONETARIO CON IL SIG. JEAN-CLAUDE TRICHET,
PRESIDENTE DELLA BCE
(a norma dell'articolo 284, paragrafo 3, del trattato sul funzionamento dell'Unione europea)
BRUXELLES, LUNEDI' 21 GIUGNO 2010

COMMISSIE ECONOMISCHE EN MONETAIRE ZAKEN
MONETAIRE DIALOOG MET DE HEER JEAN-CLAUDE TRICHET,

PRESIDENT VAN DE ECB
(overeenkomstig artikel 113, lid 3, van het EG-Verdrag)
BRUSSEL, MAANDAG 21 JUNI 2010

HOSPODÁRSKY A MENOVÝ VÝBOR
DIALÓG O MENOVÝCH OTÁZKACH S P. JEANOM-CLAUDOM TRICHETOM, PREZIDENTOM ECB
(v súlade s čl. 113 ods. 3 Zmluvy o ES)
BRUSEL,
PONDELOK 21. JÚNA 2010

ODBOR ZA EKONOMSKE IN MONETARNE ZADEVE
DIALOG O MONETARNIH ZADEVAH Z G. JEAN-CLAUDOM TRICHETJEM, PREDSEDNIKOM ECB
(v skladu s členom 284(3) Pogodbe o delovanju Evropske unije)
BRUSELJ,
PONEDELJEK, 21. JUNIJ 2010

TALOUS- JA RAHA-ASIOIDEN VALIOKUNTA – KESKUSTELU
RAHAPOLITIIKASTA EKP:N PUHEENJOHTAJAN JEAN-CLAUDE TRICHET'N KANSSA
(Euroopan unionin toiminnasta tehdyn sopimuksen 284 artiklan 3 kohdan mukaisesti)
BRYSSEL, MAANANTAI 21. KESÄKUUTA 2010

UTSKOTTET FÖR EKONOMI OCH VALUTAFRÅGOR
DISKUSSION OM VALUTAFRÅGOR MED ECB:S ORDFÖRANDE JEAN-CLAUDE TRICHET
(i enlighet med artikel 284.3 i fördraget om Europeiska unionens funktionssätt)
BRYSSEL, MÅNDAGEN DEN 21 JUNI 2010

1-002

IN THE CHAIR: SHARON BOWLES

Chair. – I should like to welcome Mr Trichet to our meeting.

(The meeting opened at 16.30)

1-003

Jean-Claude Trichet, *President of the European Central Bank***. –** Madam Chair, honourable Members, since our last meeting on 22 March, the euro area has faced one of the most challenging periods since the beginning of economic and monetary union. To address the unprecedented pressures in financial markets, public authorities in the European Union, including the European Central Bank, have taken bold steps.

1-004

Die wichtigen Entscheidungen, die in jüngster Zeit getroffen wurden, erfordern fundierte Erklärungen und Antworten auf Fragen, die sicherlich auch in diesem Hohen Hause gestellt werden.

Daher begrüße ich die Möglichkeit zum Austausch anlässlich der heutigen Anhörung ganz besonders.

1-005

Je commencerai mon intervention, comme d'habitude, par une évaluation de la situation économique.

Je reviendrai ensuite sur la décision annoncée le 10 mai dernier de procéder à des interventions sur les marchés obligataires de la zone euro.

Dans un troisième temps, je me pencherai sur les mécanismes de coordination économique de la zone euro et sur les changements que la situation actuelle appelle.

1-006

Since the previous hearing in March, incoming data have confirmed a continuing recovery in the euro area in the first half of 2010. According to the latest estimates, the economy grew by 0.2% quarter on quarter in the first three months of this year. Looking ahead, our earlier expectations that the euro area economy would expand at a moderate rate this year and next have been confirmed.

The latest projections by Eurosystem staff are broadly in line with this assessment. In our view, the risks to this outlook are broadly balanced. Nevertheless, the recovery is likely to remain uneven over time and across economies and sectors, in an environment of continued uncertainty and with tensions in some segments of the financial markets.

The annual rate of inflation in the euro area stood at 1.6% in May, up slightly from 1.5% in April, mostly because of higher energy prices. We may see some further slight increases in inflation in the second half of this year. Looking further ahead, we continue to expect price developments to remain moderate over the policy-relevant medium-term horizon.

Our monetary analysis confirms that inflationary pressures over the medium term should be well contained. This is reflected in particular in the overall weak growth of money and credit. The annual growth rate of loans to households is continuing to strengthen, but the growth rate of loans to enterprises has remained negative, as expected in the current phase of the cycle. Suggestions that inflation might be unanchored are entirely unfounded. On the contrary, euro area inflation expectations appear to be remarkably well anchored, in line with our definition of price stability.

Given the outlook for price stability and the solid anchoring of longer-term inflation expectations, the Governing Council regards our monetary policy stance and the current level of ECB interest rates as appropriate. In order to cope with tensions on the money markets, the Governing Council has decided to reintroduce some of our previous non-standard measures. In particular, we have gone back to full allotment in three-month and six-month operations, so as to facilitate the liquidity planning of banks. And we have reactivated operations that provide liquidity in US dollars, in coordination with the Federal Reserve and a number of other central banks, to prevent possible liquidity tensions.

Let me now turn to the Governing Council's decision to intervene in euro area debt securities markets, announced on 10 May following abrupt and very severe increases in financial market tensions throughout the world, but especially in Europe. Those tensions were spreading to a wide range of financial market segments, including the stock market, the interbank market and the foreign exchange market. It was observed that the epicentre of these tensions lay in European debt markets, in particular those for government debt.

Although the composition of the shocks that triggered the intensification of those tensions was different from that observed in October 2008 at the time of the collapse of Lehman Brothers in the US, this situation was comparable in terms of the suddenness of the change in sentiment and the abruptness of the flight to safety by international investors.

Overall volatility in markets increased sharply and liquidity conditions deteriorated significantly, not only in sovereign bond markets, but also to a critical degree in the money markets. Transactions within the interbank market declined rapidly, and uncertainty among banks about counterparties' creditworthiness increased.

There was therefore a risk that the normal functioning of markets and the first link in the transmission mechanism of monetary policy between the Central Bank and credit institutions could become impaired. This would have meant that the ability of banks, which are the primary

source of financing in the euro area, to provide credit to the real economy could have been seriously harmed.

It is against this background that the ECB announced on 10 May not only the reactivation of previous non-standard measures, as well as the reactivation of the swap agreements with the Federal Reserve, but also its interventions in debt markets with the launch of the Securities Markets Programme. The single reason for acting is that it is crucial for the effective conduct of monetary policy that government bond markets function as properly as possible.

Government bond markets are important for three reasons. First, interest rates on government bonds usually set a floor for the interest rates that firms and banks have to pay when issuing their bonds. In circumstances of highly disrupted bond markets, the short-term interest rates of the Central Bank would no longer be passed on to households and firms, and thereby to prices, to the appropriate degree. This is what we call the price channel.

Second, sharply lower bond prices implied by the much higher interest rates associated with disrupted markets would cause significant losses in the portfolios of financial and non-financial sectors; for banks, this would reduce their ability to provide loans to the economy. This is what we call the balance sheet channel.

Third, abnormally low liquidity for government bonds would reduce their role as collateral in refinancing operations, thereby also hindering banks' supply of loans. This is what we call the liquidity channel.

The decision to start intervening in bond markets was therefore taken in order to help maintain the appropriate transmission of monetary policy to the real economy in the euro area by addressing the malfunctioning of some segments of the securities markets. As the aim of the programme is not to inject additional liquidity into the banking system, we fully neutralise the bond purchases by means of specific reabsorbing operations. As a result, the prevailing level of liquidity and the money market rates are not affected by the programme. In other words, our monetary policy stance is not affected, and there are no inflationary risks related to this programme.

Let me emphasise that we took the decision to introduce the Securities Markets Programme fully in line with the provisions of the Treaty, only operating in the secondary markets for government bonds. We also took this decision in complete independence.

We were aware of the commitments made by euro area governments prior to that weekend, on the evening of Friday 7 May. In particular, the Governing Council of the ECB took note of the statement by euro area governments that they 'will take all measures needed to meet [their] fiscal targets this year and the years ahead in line with excessive deficit procedures' and of the 'precise additional commitments taken by some euro area governments to accelerate fiscal consolidation and ensure the sustainability of their public finances'.

This brings me to the third issue I would like to discuss, which is economic governance. Madam Chair, you asked me to speak about enhanced economic coordination and surveillance in the euro area. The ECB believes that a quantum leap is needed in the framework for surveillance and adjustment of fiscal policies, as well as broader macroeconomic policies concerned with Europe's competitiveness.

'La solidarité de fait' that Robert Schuman called for 60 years ago is reflected in the degree of economic integration and interdependence already achieved in monetary union. However, solidarity is a two-way street. The benefits and protection that are derived from membership of monetary union bring with them responsibilities and obligations. This is the fundamental contract which forms the basis for our currency. We now have to turn it into a more effective structure for fiscal and macroeconomic surveillance and adjustment.

In line with the topics addressed by the task force chaired by European Council President van Rompuy, let me focus here on two main areas of reform. A third area, a crisis management framework, has not yet been examined at the level of the task force.

First, it is of the essence that the surveillance of budgetary policies be strengthened. I am pleased to note that the European Council confirmed this assessment when it met last Thursday. At the level of the EU27, and in particular within the euro area, we must have effective instruments to prevent – and, where necessary, correct – excessive deficits and debt levels. A more stringent implementation of rules and procedures is essential, among other things by increasing the automaticity and speed of procedural steps. The initiation of sanctions also needs to be quasi-automatic.

Fiscal surveillance must be more direct and effective. It must also be based on more independent monitoring and assessment. We may need a differentiated approach to surveillance, depending on the fiscal performance of countries. The Commission should have greater responsibility by making proposals, which can only be modified with unanimity in the Council, rather than mere recommendations under the Stability and Growth Pact.

In the event of non-compliance, sanctions need to be applied much earlier and need to be broader in scope. They should not only address excessive debt ratios, but also apply when countries are not making sufficient progress towards medium-term budgetary objectives. A wider spectrum of financial sanctions needs to be considered, along with non-financial and procedural sanctions, such as more stringent reporting requirements or even a limitation or suspension of voting rights.

The second area may appear more novel, both at the level of the European Union and at the level of the euro

area, but the ECB has in fact been stressing it in the Eurogroup since at least 2005: the surveillance of policies to maintain Europe's internal and external competitiveness – policies to raise productivity, to enhance people's skills and to improve firms' competitiveness. These policies go well beyond the tradable sector. They must also encompass the non-tradable sector, including the public sector, since it too is decisive for the competitiveness of an economy as a whole.

Conscious management of wages and costs in order to maintain a healthy position for the economy within a competitive environment – this should be the core focus of such broader macroeconomic surveillance. The reason why competitiveness should be the main focus is not that countries should pursue export-oriented policies or boost international market share. The reason is that within a monetary union, the relative competitiveness of economies captures very well the sustainability of price and cost developments.

I am pleased that last Thursday's European Council confirmed the need for an effective surveillance framework in this area. Experience has shown that persistent divergence in this regard is detrimental both for Member States and for monetary union as a whole. As with fiscal surveillance, this framework needs to allow for targeted and differentiated surveillance and follow-up measures. For countries that experience significant losses of competitiveness, surveillance should become increasingly deep and detailed. More ad hoc reporting and dedicated country missions, policy recommendations, compliance requirements, public peer pressure and gradual financial steps to encourage compliance could all be part of that process.

For this to work, we need a transparent and effective trigger mechanism to determine the intensity of vulnerabilities and surveillance. This should be based on close monitoring and reporting by both the Commission and the ECB. Experts are currently developing ways to best capture the complexity of the issue, as well as procedures by which indicators could be used in a surveillance and adjustment framework.

If we can put in place effective surveillance and adjustment frameworks for both fiscal and competitiveness policies – and if we can ensure through appropriate regulation that our financial system serves the real economy and not the other way around – our European Union and our economic and monetary union will exit the crisis much stronger than before and will be well placed in the global economy.

Let me conclude by saying that, as we steer a course through these difficult times, we must clearly all work hard, but we must also maintain our ambition. This means that decisions need to be proportional to the importance of the Union.

A single market of 500 million citizens and an economic and monetary union of 330 million citizens – among the largest and most advanced economies in the world and built on solid foundations in terms of human and social capital – cannot and should not be measured according to the strengths and weaknesses of their individual components alone. Particularly as regards Economic and Monetary Union, policy-makers need to internalise what it means to be part of a monetary union, in words and in deeds.

I therefore very much welcome the calls by Parliament for ambitious reforms. The reaction of Europe in times of crisis has always been to strengthen European cohesion. I would like to urge you, as Members of the European Parliament, as the representatives of Europe's citizens, to continue to give your support to that course of action, with the bold reforms that are needed.

1-007

Jean-Paul Gauzès (PPE). – Monsieur le Président, permettez-moi d'abord de saluer le travail remarquable qu'a accompli la Banque centrale européenne pendant cette période de turbulences.

Dans votre exposé liminaire, vous avez abordé les différentes questions. Je m'attarderai un instant sur votre conclusion. Il est vrai que vous pouvez compter sur ce Parlement et je constate, comme on dit dans ma région d'élection – la Normandie –, qu'il y a les "parleux" et les "faiseux". Je ne dirai pas où sont les "parleux" mais une chose est sûre, les "faiseux" font partie de ce Parlement.

Je voudrais revenir sur un des points que vous avez abordés pour obtenir quelques précisions sur les facilités que la BCE offre aux pays qui ont des problèmes de balance des paiements.

Vous l'avez évoqué mais j'aimerais néanmoins que vous apportiez quelques précisions sur le type d'obligations que la BCE achète aujourd'hui et qu'elle n'acquérait pas auparavant.

Vous avez indiqué que cela n'aurait pas d'effet inflationniste, pouvez-vous le justifier brièvement?

Enfin, existe-t-il une stratégie qui permettra à la BCE de sortir de cette politique dès que, comme nous l'espérons, la crise sera derrière nous?

1-008

Jean-Claude Trichet, *Président de la Banque centrale européenne***. –** Merci beaucoup pour ces questions. En ce qui concerne la question de savoir si ce que nous faisons est inflationniste ou non: comme je l'ai expliqué dans l'exposé introductif, nous retirons euro pour euro la totalité des liquidités que nous injectons au titre de ce programme.

Nous avons dit, au cours de nos deux dernières réunions du Conseil des gouverneurs, que nous considérions notre politique monétaire comme étant appropriée. Nous considérons que nos taux d'intérêt sont appropriés et nous n'avons pas changé notre politique monétaire. Nous avons, par conséquent, complètement neutralisé l'incidence de ce nouveau programme non conventionnel

et nous avons repris – comme je le disais – l'intégralité de ce que nous avons donné.

Pour vous donner un exemple, nous avions à peu près 47 milliards d'euros, que nous avions retirés la semaine dernière. Cette semaine, nous allons retirer 47 + 4, les quatre milliards supplémentaires correspondant à ce que nous avons fait au cours de la dernière semaine supplémentaire. Quarante-sept plus quatre font 51 – aux alentours de 51 –, c'est ce que nous retirons, encore une fois, euro pour euro.

S'agissant de ce programme, comme tous les programmes *non standard* qui ont été décidés, sa durée est bien entendu nécessairement limitée, mais je n'en dirai pas plus à ce stade, de même que je n'en dirai pas plus en ce qui concerne les marchés sur lesquels nous intervenons.

1-009

José Manuel García-Margallo y Marfil (PPE). – Señora Presidenta, señor Presidente del BCE, aquí, cada vez que las cosas van mal, unos dicen que hay que incentivar a la pequeña y la mediana empresa y otros que hay que poner en marcha el gobierno económico. Y, cuando queremos definir qué es el gobierno económico, nadie sabe de qué estamos hablando.

El Presidente de la Comisión habla del artículo 121 y del artículo 136 del Tratado; el Presidente Sarkozy habla de un gobierno de la zona euro dando un protagonismo especial a los Jefes de Estado y de Gobierno; la Canciller Merkel contesta que nada de un gobierno de la zona euro, sino un gobierno de la Unión, y dice que hay que controlar previamente los presupuestos, y a continuación sale en televisión David Cameron y dice que lo que se ha acordado es respetar los procedimientos nacionales; la Canciller Merkel dice que lo que hay que hacer es privar de derecho de voto al que no cumpla, y sale la Presidencia española y dice que eso es modificar los Tratados y que de eso, nada.

Y usted nos ha hablado hoy, otra vez, de supervisión, de control presupuestario, a todos. ¿Cómo? De reforzar las sanciones para el que no cumpla a medio plazo. ¿Qué sanciones? No tendría mucho sentido poner sanciones pecuniarias a Grecia con una mano, cuando con otra se le está dando dinero para que salga del hoyo. Entonces, ¿de qué sanciones estamos hablando?

Si estamos hablando de competitividad, todos estamos de acuerdo —lo dice el informe Kok— en que el método abierto de coordinación no da resultado, y a los resultados me remito: hemos perdido competitividad en los tiempos buenos, estamos saliendo más tarde de la crisis que los demás, que los que la sufrieron. Y, por tanto, hay que corregir eso.

¿En qué sentido vamos a modificar esos temas? ¿Cómo vamos a pasar de las musas al teatro, de la literatura a los hechos?

1-010

Jean-Claude Trichet, *President of the European Central Bank***.** – First of all, we have to accept that the spirit and the letter of the Stability and Growth Pact have not been fully respected. I have said that regularly in front of the Members and I know that Parliament very much shares this view. We regretted that ourselves. We considered that it was a disgrace. I have always said to you that with a single currency and without a fully fledged federation, we need the equivalent of a strong framework, which we do not have because we do not have the institution of a political federation. That framework is the Stability and Growth Pact and, again, experience has demonstrated that it was absolutely of the essence.

We know because of the intensity of the crisis that not only should the Stability and Growth Pact have been fully respected, and you know that a number of countries tried at the time to avoid fully respecting it, but it is clear that given the most serious crisis we have all had to cope with since World War II – the financial crisis – we have to reinforce the framework well beyond that of the Stability and Growth Pact. The ECB is speaking of a quantum leap to help us improve considerably.

To sum up, my short response to your question is that, as a first step, everything permitted by secondary legislation in Europe should be done in full in terms of prevention, in terms of monitoring and surveillance, in terms of sanctions, and in terms of the quasi-automaticity of sanctions.

This is very much what we are calling for. We could subsequently reflect on changing the Treaty but, as a first step, everything permitted by secondary legislation in Europe should, in our opinion, be implemented.

1-011

Ρόδη Κράτσα-Τσαγκαροπούλου (PPE). – Κύριε Πρόεδρε, σε παλαιότερη συμμετοχή σας σε συζήτηση στην Επιτροπή Οικονομικών Υποθέσεων τον περασμένο Μάρτιο, μας είχατε πει ότι η Ευρωπαϊκή Κεντρική Τράπεζα θα συνεχίζει να αγοράζει τα ελληνικά ομόλογα χωρίς τις προϋποθέσεις της βαθμολόγησης και αξιολόγησής τους. Οι τελευταίες όμως εξελίξεις μας βάζουν σε προβληματισμό. Είχαμε την υποβάθμιση από την Moody's, με τις αντιδράσεις των ευρωπαίων αξιωματούχων οι οποίοι την χαρακτήρισαν ατυχή απόφαση, κυρίως στην κρίσιμη συγκυρία που βρίσκεται η Ελλάδα, και από την άλλη πλευρά δημοσιογραφικές πληροφορίες λένε ότι η Ευρωπαϊκή Κεντρική Τράπεζα θα επιβάλει την πρόσθετη χρέωση ("*haircut*") 5% στα ελληνικά ομόλογα.

Ήθελα να σας ρωτήσω, κατ' αρχάς, αν αυτό αληθεύει, δεύτερον πώς εκτιμάτε την επίπτωση ενός τέτοιου μέτρου στην κρίσιμη ανάγκη ρευστότητας που έχει η Ελλάδα και τις συνέπειες που θα είχε στην ρευστότητα αυτό το μέτρο και τρίτον πόσο οι αξιολογήσεις των διεθνών οίκων επηρεάζουν την πολιτική της Ευρωπαϊκής Κεντρικής Τράπεζας.

1-012

Jean-Claude Trichet, *President of the European Central Bank***. –** As you know, regarding government bonds, we had said in advance that we would consider their eligibility for our collateral framework independently of what rating agencies could do. I am talking about government bonds and government bonds alone.

Let me also comment on what these decisions mean. It is clear at present that, taking into account all the decisions that have been taken recently – namely the recovery programme undertaken by the Greek Government after negotiation with the IMF and with the Commission in liaison with the ECB – and taking into account the decision taken – not only in Athens in terms of this adjustment programme, but also on the IMF Board and in the various European capitals – the situation today is objectively better in terms of the seriousness and solidity of the Greek programme than it was at the time there was no programme and no decision by the Greek Government to undertake the absolutely necessary adjustment programme and no decision either in Washington or in the various European capitals. However, the rating was better at a time where the situation was objectively much worse than it is today in this particular case. That is the only comment I will make.

1-013
Edward Scicluna (S&D). – Mr Trichet, I recall you saying – I think you were trying to make a point – that the euro zone is not facing a problem, but the Member States are. If that is the case, do you not agree that we need to get the results of stress tests more regularly, not only for banks – which are in the news at the moment – but also for Member States' debts in the different scenarios? To my knowledge, sometimes we see them and sometimes we do not. Every few years they surface in a document.

On a second point, do you therefore believe that there are no inherent problems with the eurozone common currency criteria, and is the Stability and Growth Pact, on its own, adequate to prevent a future crisis?

1-014
Jean-Claude Trichet, *President of the European Central Bank***. –** Let me first say that had the Stability and Growth Pact been rigorously applied in its letter as well as in its spirit, we would certainly be in a much better situation. I have no doubt about that. Taking into account the intensity of the financial crisis we have all had to cope with globally, I doubt whether we would be in a situation where I could tell you that we are in a very solid and stable situation. I doubt that. Again, we have to learn all the lessons both from our poor implementation of the Stability and Growth Pact, but also from what we know now can be the real stress test – the stress test in real magnitude that we are going through now.

My understanding is again that we need a quantum leap in terms of a framework for surveillance, and I think we would regret it enormously if we did not seize this opportunity to substantially reinforce surveillance: not just surveillance of fiscal policies, but also surveillance of competitiveness indicators which we always trust in the ECB as they are essential at the level of a single currency area.

I am, of course, speaking of the single currency area, but we also need to improve surveillance and coordination at the level of the 27. We are a single market. It is very important that a single market functions correctly and, of course, inside the 27 you have to reinforce surveillance among the 16 that have a single currency.

1-015
Antolín Sánchez Presedo (S&D). – Señora Presidenta, señor Trichet, yo quisiera felicitarle por el trabajo que ha desempeñado durante los últimos meses. Creo que ha sido muy positivo para la Unión.

Con relación a la supervisión fiscal y la competitividad, temas que usted ha abordado, creo que hay un aspecto muy importante, y es poner esto en relación con la coordinación económica, porque no es solamente una cuestión de Estados miembros, sino que también se trata de definir el crecimiento. Para articular una buena estrategia fiscal, habrá que definir una estrategia de crecimiento a nivel europeo o a nivel de los Estados miembros. En otro caso, va a ser muy difícil establecer unas directrices.

En lo que se refiere a la competitividad, no es una cuestión solamente de cada país, sino que lo que hay que buscar es una convergencia y habrá que establecer unos objetivos de competividad a nivel global y establecer los objetivos para que la competitividad pueda converger. Y, por lo tanto, es necesario intensificar la coordinación fiscal.

Y hay otro aspecto sobre el que a mí me gustaría preguntarle, y es en relación con la coordinación monetaria y fiscal, porque, claro, la coordinación económica tiene las dos patas.

Usted hace una política monetaria que está contribuyendo a favorecer la liquidez, mantener la actividad. Y es una política monetaria, yo diría, discriminatoria. Es decir, se trata de abordar los problemas donde existen, sin tratar todas las cuestiones por igual.

¿No sería bueno que también la política fiscal fuera diferenciada, al igual que la política monetaria? Porque hoy tenemos una política monetaria que trata los problemas específicamente. Sin embargo, las políticas fiscales son indiscriminadas y todo va a un ajuste. ¿No podríamos tener problemas si no se coordinara correctamente?

1-016
Jean-Claude Trichet, *President of the European Central Bank***. –** As regards monetary policy, I would say that our mandate is very clear. We have to deliver price stability for 330 million people – our fellow citizens. That is 16 countries and 330 million fellow citizens.

What have we done? At the present moment, if I calculate the average yearly inflation over approximately 11.5 years, I arrive at the very precise arithmetical figure of 1.98% for average inflation in the euro area since its inception. That this is fully in line with our definition of price stability – less than two percent or close to two percent – and it is a better result than any result over such a period of time in Europe since the Second World War for the countries and central banks that were the mothers and fathers of the euro area.

At the end of the year, according to our present projections, we will be at the level, over 12 years, of about 1.96 or 1.97%, depending on the price of oil and further competition. That is our duty. That is our primary mandate. Our fellow citizens know that they can count on us to deliver price stability in the medium and long-term – over 12 years. We are doing that, whatever happens. That is the reality of the ECB's mandate. The ECB has to do that, whether the fiscal policies are excellent – which simplifies our life formidably because there is no inflationary element embedded in the fiscal policies – or in times when we have poor fiscal policies. As you know, that is the case at present. Some are better than others, but we have difficulties.

However, we have to deliver price stability in a credible manner and we have to convince observers, our fellow citizens, enterprises and investors that, in the years to come, we will continue to deliver price stability. At the moment, inflation expectations are in line, over the coming years, with our definition of price stability. That is the major asset of the ECB – having not only a very good track record since its inception but also being credible as regards delivering price stability in the future.

I do not want to interpret further the coordination to which you referred. We have to do our job in any circumstances. If we were not deemed able to do our job in any circumstances, and as being fully independent, then of course we would not have the anchoring of inflation expectations that I mentioned and we would not deliver the anchor of confidence that the people of Europe and the representatives of the people of Europe have asked us for.

1-017

Sylvie Goulard (ALDE). – Monsieur le Président, je salue ce que vous avez fait ces dernières semaines. Beaucoup de choses se sont passées depuis que nous nous sommes vus.

La BCE vient de rendre publique une contribution sur le renforcement de la gouvernance économique de la zone euro. C'est un texte très dense, et je voudrais passer directement à la question à mon avis la plus délicate et la plus politique. Comme vous venez de le rappeler, vous êtes parfois un peu seul, alors que vous avez envie d'être aidé par des politiques budgétaires qui aillent plus dans le sens, une fois encore, non pas dicté par Bruxelles, mais décidé en commun. Et je crois que vous avez tout à fait raison de proposer ce que vous appelez une "agence indépendante", qui pourrait contrôler ce qui se passe dans les budgets et qui pourrait, soit faire partie de la Commission, soit être constituée d'un groupe de Sages.

Je voudrais vous demander si vous n'avez pas l'impression qu'il faut vraiment éviter de saper les pouvoirs de la Commission et de multiplier des autorités qui seraient dispersées ici et là? D'abord parce que – on le voit d'ailleurs dans le dossier "supervision" – il y a des jurisprudences, il y a des difficultés pour conférer des pouvoirs à des agences et, d'autre part – parce que ça me paraît fondamental – pour tenir compte de l'*accountability*, de la responsabilité de la Commission devant ce Parlement. Nous pouvons en effet discuter avec les commissaires, voir ce qu'ils font, avoir un dialogue avec eux.

Et, question subsidiaire, que peut faire le Parlement européen pour aider dans ce travail, qui consiste à faire décider par les parlements nationaux, dans le respect de leurs prérogatives – mais, beaucoup plus, ensemble –, ce qui relève de compétences partagées, notamment au sein de la zone euro?

1-018

Jean-Claude Trichet, *Président de la Banque centrale européenne***.** – Merci beaucoup, Madame. En effet, beaucoup de choses se sont passées, comme vous l'avez dit, depuis notre dernière réunion. Je voudrais faire écho à ce que vous venez de dire.

Au point 6 de la position de la Banque centrale européenne, qui a été transmise au président Van Rompuy et rendue publique, il est explicitement fait mention de cette agence budgétaire indépendante que nous pensons nécessaire pour assurer les diagnostics sur les budgets des différents pays membres de la zone euro, et aussi pour permettre un contrôle permanent de cette situation. Nous disons nous-mêmes que cette agence devrait de préférence être créée au sein de la Commission.

De ce point de vue-là, nous pensons que ce doit être possible. Nous pensons qu'il est possible, dans certains domaines, de disposer, au sein-même de la Commission, d'entités qui puissent être indépendantes. C'est un sujet qu'il faut que nous creusions. Je disais qu'il fallait aller jusqu'au bout de ce que nous permettait la législation secondaire sur tous ces aspects. En outre, je dois dire que nous avons été très explicites en affirmant que nous ne voulions pas porter atteinte aux prérogatives de la Commission pour ce qui est de ses avertissements, de ses recommandations et de ses propositions. J'ai même indiqué, dans mon exposé introductif, que nous voulions que, dans certains cas, la Commission puisse présenter des propositions qui ne puissent être combattues – si je puis dire – qu'avec l'unanimité des pays concernés. Je prends donc très bonne note de votre message.

Cela dit, nous croyons vraiment qu'il faut que nous disposions, dans ce domaine qui, comme vous l'avez dit, est absolument crucial, d'un schéma de surveillance qui

soit extrêmement fort. En effet, l'expérience a montré à quel point nous étions défaillants de ce point de vue. C'est pourquoi nous sommes très attachés à l'idée d'une entité indépendante, de préférence au sein de la Commission. Nous avons parlé de la Grèce il y a un moment: il est clair que nous ne pouvons pas nous permettre une seconde fois d'avoir des problèmes de ce genre. Je parle évidemment de l'absence de diagnostic sûr concernant la situation réelle du pays.

1-019
Kay Swinburne (ECR). – Mr Trichet, thank you for your remarks and, given how much has changed since you were here at the ECON Committee just a few short months ago, it has been difficult to limit a question to a single topic.

However, in light of the announcement this Saturday by the Chinese Central Bank that they will end the dollar peg and therefore allow a gradual appreciation of the renminbi against the US dollar, could you comment on what effect this might have on the eurozone and wider EU growth prospects, and whether a revaluation of the renminbi might have an impact on any of the price indexes and therefore inflation or deflation in the eurozone?

In your opinion, are there any non-eurozone growth prospects likely to be impacted disproportionately due to an over-reliance on Chinese imported goods?

1-020
Jean-Claude Trichet, *President of the European Central Bank***. –** The decision which has been made public by the Chinese authorities is a good decision that corresponds to what is, in our opinion, the interests of China itself, the Chinese economy and Chinese growth. It is also in the interests of China's partners, by which I mean the global economy itself. It goes in the direction of greater stability and greater prosperity at the global level for all partners and is something that we had discussed several times when Mr Juncker, the various Commissioners and myself went to Peking. Again, at this stage, I would say it goes in the right direction and I certainly consider that it is a good decision.

1-021
Philippe Lamberts (Verts/ALE). – Monsieur le Président, c'est fou ce que les temps changent.

La dernière fois que vous êtes venu ici, vous nous avez dit "Attention! Les stratégies de sortie: pas trop vite, pas trop fort", et maintenant c'est le sauve-qui-peut vers des politiques d'austérité.

La BCE nous dit qu'il nous faut des finances publiques responsables et soutenables et nous ne disons pas autre chose, nous sommes à 100 % d'accord avec vous. Nous avons toujours dit aussi – et vous le savez – que nous pensons que la Banque centrale sort de son rôle lorsqu'elle dit comment il faut parvenir à ces équilibres budgétaires et lorsqu'elle pousse uniquement à des coupes dans les dépenses.

Mais, soit, vous avez été entendu. Les chefs d'État et de gouvernement vous suivent. Cependant, notre inquiétude est la suivante: on ne remet pas en route une économie – parce que c'est bien de cela qu'il s'agit – en sapant, d'une part, les bases de la cohésion sociale et, d'autre part, en n'investissant pas dans notre avenir.

Ainsi, les politiques d'austérité sapent un peu notre capacité d'investir et lorsque vous appelez – et nous sommes assez d'accord avec vous – à une fédération budgétaire, nous disons "oui" à une surveillance budgétaire au niveau des dépenses, mais il nous semble qu'il manque un pilier essentiel à cette affaire, c'est-à-dire une surveillance des recettes. En effet, les dispositifs fiscaux de certains États membres privent, de fait, d'autres États membres de recettes puisqu'il existe une compétition fiscale entre les États.

Il nous semble donc que le deuxième pilier de cette fédération budgétaire devrait consister en une coopération fiscale plus forte.

Puisque vous vous exprimez sur ces matières, cela m'intéresserait d'entendre votre point de vue et je dirais, en conclusion, que, pour nous, une fédération budgétaire – sachant que les budgets représentent l'acte politique numéro un – reviendrait à une fédération politique.

1-022
Jean-Claude Trichet, *Président de la Banque centrale européenne***. –** Dans la situation où se trouvent la quasi-totalité non seulement des pays européens et des pays de la zone euro, mais aussi des pays industrialisés dans le monde, il est clair que la perspective de retour à une situation durable de bonne gestion budgétaire est essentielle. Elle n'est pas contradictoire avec la croissance. Nous croyons qu'elle est, au contraire, nécessaire à la croissance, à la consolidation de la reprise et à la création d'emplois. Pourquoi?

Eh bien, tout simplement parce que si les ménages, les entreprises et les investisseurs n'ont pas confiance en la capacité des États de regagner le contrôle de leurs évolutions budgétaires, alors les ménages pris de peur ne consommeront pas autant qu'il le faudrait et n'investiront pas autant qu'il le faudrait. Quant aux entreprises, elles ne prépareront pas l'avenir et les investisseurs sauront qu'ils auront des difficultés pour se faire rembourser et ils réclameront donc des taux d'intérêt plus élevés.

Il faut par conséquent que nous comprenions bien que, dans les circonstances présentes, le problème que nous devons gérer n'est pas simplement un problème européen, ni évidemment seulement un problème de la zone euro, mais qu'il est un problème des pays industrialisés en général. Je crois que tous s'engagent, sous des formes différentes, dans ces stratégies de reconquête de la confiance de leurs ménages, de leurs entreprises et des investisseurs. Encore une fois, je vois une complémentarité, non pas une opposition, entre consolidation de la reprise et sagesse budgétaire.

S'agissant de la coopération fiscale, c'est là un très vaste sujet sur lequel le Parlement, le Conseil et la Commission se sont beaucoup penchés. Je dois dire que, de notre point de vue, il existe de telles différences de niveau dans les dépenses publiques par rapport au produit intérieur brut entre les différents pays que nous savons d'avance que la coopération fiscale et l'harmonisation fiscale que chacun peut souhaiter théoriquement ne sont probablement pas possibles autant que cela serait souhaitable, précisément à cause de ces énormes différences entre les dépenses publiques. C'est pourquoi vous nous entendez souvent dire qu'il est possible de faire des économies assez substantielles dans les dépenses publiques. C'est un élément qui, lui-même, jouera dans le sens de l'harmonisation fiscale.

1-023
Godfrey Bloom (EFD). – Mr Trichet, it seems that many members of the Commission and indeed my committee and Parliament blame credit-rating agencies and currency dealers for the demise of certain sovereign debt.

I find that a little bit difficult to cope with personally but I would be very much interested in your view, so I would like to ask you perhaps a slightly light-hearted question. I am interested to see your response because we are dealing with a principle here: if you went to a race meeting – for example your famous Arc de Triomphe – and backed a three-legged horse, perhaps called Junk Debt, which came last, would you blame yourself for backing it, would you blame the horse, would you blame the jockey or would you blame the bookmakers?

1-024
Jean-Claude Trichet, *President of the European Central Bank.* – I have to confess that I do not bet on such horse races and I am not very keen on going to the Arc de Triomphe or to any other horse race.

I will not comment any more other than to say that, after all the experiences we have seen since 2007 and are still seeing today, what we expect not only of rating agencies but of all parts of global finance is that the least possible part of global finance would be pro-cyclical and amplify the fluctuations that we are observing in global finance – the booms and the busts; on the contrary, there should be a tendency to play in the direction of financial stability as much as possible. This is not necessarily the case when you see the functioning of the market. I am not blaming anybody. I am only making an observation which I trust corresponds to what we are all looking for: namely more stability at the level of global finance.

It seems to me that it cannot be challenged that some elements are playing in the direction of instability. That is not very good, but it does not mean that it is easy to solve. After all, the G20 has been reflecting on such issues since the crisis first started to intensify. Again, it is true for the behaviour of rating agencies and it is true for a number of other factors that are deemed not to incorporate all the elements that would make it possible to be less pro-cyclical and more prone to helping us ensure financial stability.

1-025
Theodor Dumitru Stolojan (PPE). – Acum doi ani, în aceeaşi comisie, ECON, aţi făcut o serie de predicţii despre tendinţele inflaţioniste, presiunile inflaţioniste, şi aţi fost foarte corecţi şi ele s-au adeverit în aceşti doi ani de zile şi vă felicit pentru acurateţea analizelor care se fac în Banca Centrală Europeană.

Întrebarea mea este foarte scurtă. Pentru statele membre din zona euro, în condiţiile date, aţi recurs la acest program de cumpărare de obligaţiuni guvernamentale. În condiţiile unui stat membru care nu face parte din zona euro şi care s-ar confrunta cu aceleaşi condiţii care au determinat adoptarea programului de către dumneavoastră, aţi recomanda acelaşi lucru?

1-026
Jean-Claude Trichet, *President of the European Central Bank.* – We do not give suggestions, recommendations, far less a lecture, to other central banks, as you know, and I would not make any particular comment. A number of considerations enter into play when you take such a decision, and this is a very difficult decision when everything is taken into account.

As you see, we did something that had not been done before, because the other central banks that had embarked on such bond purchases had done so as part of a programme of quantitative easing, as they were keen on injecting liquidity into the economy, which is not at all what we have been doing.

What we wanted to do was to help restore more normal monetary policy transmission mechanisms at the level of the euro area. This illustrates the fact that you always have to look at the specific nature of the situation, and I will again not embark on any such recommendations.

1-027
Astrid Lulling (PPE). – Madame la Présidente, Monsieur Trichet, si j'avais le temps, je vous poserais certaines questions concernant vos commentaires parus dans l'édition d'aujourd'hui du journal "Libération" sur le comportement du chef de la Bundesbank, qui, comble de l'arrogance, espère vous succéder.

Je voudrais simplement vous féliciter pour les réponses que vous avez données aux reproches de cet individu concernant, entre autres, votre aventurisme.

Voici maintenant ma question: vous venez de déclarer que l'Union européenne avait besoin d'une fédération budgétaire. Cette fédération – et je veux reprendre vos mots pour être la plus rigoureuse possible – concernerait le contrôle et la surveillance de l'application des politiques en matière de finances publiques.

J'aimerais savoir comment cette fédération budgétaire s'insère dans le débat sur le gouvernement économique. Est-ce que la fédération budgétaire et le gouvernement

économique sont à peu près la même chose, ou, au contraire, est-ce que ce sont deux choses bien différentes?

Autre question: les avancées sur le gouvernement économique s'accompagnent de nouveaux débats sur le plan institutionnel. Certains États, dont un que vous connaissez particulièrement bien, plaident pour que la logique intergouvernementale prévale. Ne trouvez-vous pas cela – et je crois que Mme Goulard l'a déjà dit – assez étrange, alors que c'est logiquement la Commission qui devrait être renforcée, notamment lorsqu'on constate que les États ont l'habitude de s'autoamnistier? Vous le savez, à cet égard, ces dernières années parlent d'elles-mêmes.

1-028
Jean-Claude Trichet, *Président de la Banque centrale européenne***. –** Madame, en ce qui concerne la fédération budgétaire, j'ai dit que nous avions besoin de l'équivalent d'une fédération budgétaire.

Encore une fois, nous ne sommes pas dans une fédération politique. Nous avons une monnaie unique mais nous ne sommes pas dans une fédération politique et c'est pourquoi nous avons besoin de règles extrêmement sérieuses en matière de surveillance des politiques budgétaires. C'est ce que j'appelle l'équivalent d'une fédération budgétaire mais qui n'est pas, évidemment, une fédération budgétaire. C'est la raison pour laquelle nous sommes favorables à un renforcement extrêmement important de la surveillance des politiques budgétaires. Nous estimons par ailleurs, pour ce qui est des politiques de compétitivité, qu'il faut suivre avec une extrême attention les coûts unitaires de production au sein de la zone euro.

Voilà ce que nous pensons, et je m'exprime ici au nom du Conseil des gouverneurs en ce qui concerne le renforcement très substantiel – un véritable saut qualitatif – de la surveillance de ces politiques budgétaires et de compétitivité. Comme je l'ai dit, nous pensons qu'il faut aller au maximum de ce que permettent les législations secondaires, sachant que, dans un premier temps, procéder à des changements des traités eux-mêmes n'est pas nécessairement ni très aisé ni très rapide.

Je crois que la logique intergouvernementale que vous évoquez consiste en la combinaison entre la Commission – nous avons déjà parlé de la Commission et du rôle très important qui doit être le sien – et le Conseil, qui a évidemment son rôle à jouer. Cependant, nous ne sommes pas dans une logique intergouvernementale. Dans ce domaine, il me semble que nous devons être au cœur de la méthode communautaire telle qu'elle existe depuis la création de l'Europe. La Commission a son rôle à jouer. Bien entendu, le Conseil a aussi son rôle à jouer. En tout état de cause, la surveillance par les pairs est essentielle au sein de la zone euro.

Je n'ai aucun autre commentaire sur votre première question. Je n'ai d'ailleurs pas commenté ce point, si vous lisez ce que j'ai écrit dans *Die Welt.*

1-029
Corien Wortmann-Kool (PPE). – Voorzitter, president Trichet, als eerste wil ik u graag prijzen voor de solide wijze waarop u in deze moeilijke tijd de ECB leidt en ook voor uw bijdrage aan het debat over de economische *governance*. Het verheugt me dat u echt staat voor versterking van het stabiliteits- en groeipact en de communautaire methode. Ik ben het helemaal met u eens.

Ik wil u een vraag stellen over een ander punt. U gaf aan dat de groei van leningen aan bedrijven nog steeds negatief is. Dat is zorgelijk, want juist bedrijven hebben kapitaal nodig om weer te kunnen groeien. U koos er in de afgelopen periode voor om veel geld beschikbaar te stellen aan de Europese banken, liquiditeiten, bijna kosteloos. Maar dat is door de banken vooral belegd in staatsleningen.

Nu verwachten we binnenkort de resultaten van de stresstest. Welke maatregelen gaat u als ECB nemen als uit de stresstest blijkt dat banken een lage solvabiliteit hebben? Gaat u dan opnieuw liquiditeiten beschikbaar stellen? Wat als dat geld uiteindelijk weer in staatsleningen belandt en niet waar het hoort te zijn, namelijk bij leningen kapitaalverschaffing aan het bedrijfsleven? Dus wat gaat u ondernemen als er wederom een liquiditeitstekort blijkt uit de stresstest?

1-030
Jean-Claude Trichet, *President of the European Central Bank***. –** First of all, what we are observing at present is outstanding loans to the private sector growing at quasi zero per cent, with two components – one positive, the other negative.

The positive component is the outstanding loans to households, which are augmenting by approximately 2.5%. This is something that we have always observed after a very tough abrupt recession. We have always seen the recovery of growth in loans to households coming before the recovery in growth in loans to enterprises. We have almost the same figure – plus 2.5% for outstanding loans to households and minus 2.6% for outstanding loans to enterprises. Again, this is in line with what we have observed in past situations of this type. We expect the dynamism of the loans to enterprises progressively to recover. That would be in line with what we have observed before.

Of course, we are asking the banks to do their job, which is to finance the real economy. That is the very strong message we have for them. They know, because we have told them this permanently, that what had to be been done by the central banks was to engage in monetary policy on the one hand and also in non-standard measures, with a view to permitting the financial sector, the banks, to finance the real economy. On this issue I am not only referring to the central banks of the euro area, the ECB and the euro system but also to what has

been done by the other central banks in Europe and in the rest of the world.

However, we have to repeat that very important message permanently. I guess it is the same message being sent by executive branches and parliaments. What has been done by the executive branches has also been extremely important with a view to permitting the real economy to be financed.

As regards the stress test, as you know the last European Council decided that the stress test would be made public at the level of individual banks. That is a very important decision by the Council and we call on all partners to be extremely keen. Now we have a few weeks in front of us to work very actively and to be sure that each individual nation – because you know that banking surveillance is exerted at national level – is sure it has the appropriate diagnosis and the appropriate solutions in the event that these are asked for at the end of the stress testing exercise.

All this is coordinated by CEPS and is being done at the level of the 27. We ourselves are contributing, together with the Commission, as much as possible to this very important, very serious and very appropriate exercise so that it is what it has to be, namely a professionally, perfectly executed exercise which I trust will be a success.

1-031
Liem Hoang Ngoc (S&D). – Monsieur le Président, je voudrais vous manifester mon soutien par rapport à la décision que vous avez prise de monétiser une partie de la dette de pays qui font l'objet d'attaques spéculatives.

Cette décision permet en effet à ces pays de diversifier leurs sources de financement et s'avère adaptée à une situation où menace encore la déflation. Il n'y a pas de risque d'inflation par la demande aujourd'hui, les taux d'utilisation des capacités de production sont bas, la masse monétaire évolue à un rythme proche de 12 % pour une inflation qui reste calée autour de 1 %, il n'y a pas plus de risque d'inflation par les coûts, les évolutions salariales sont tenues.

Ma question porte sur le contenu de la gouvernance économique et, en particulier, sur la coordination des politiques monétaires et des politiques budgétaires.

Votre position consiste apparemment à préconiser une politique monétaire qui reste expansionniste pour ne pas casser la reprise ainsi qu'une politique budgétaire restrictive à travers les politiques de sortie.

Or, le problème est que non seulement l'investissement paraît aujourd'hui insensible aux taux d'intérêt, mais en plus, les taux d'intérêt ne baissent plus car nous sommes peut-être tombés dans une trappe à liquidités.

Dans ces conditions, au moment où les déficits structurels primaires ne sont pas aussi catastrophiques qu'ils le paraissent, n'est-ce pas une erreur que de se priver de la politique budgétaire en recommandant prématurément des politiques de rigueur qui risquent de casser la reprise et donc de creuser les déficits?

1-032
Jean-Claude Trichet, *Président de la Banque centrale européenne***.** – Sur le premier point que vous avez abordé, je répéterai simplement, comme vous l'avez vu et entendu, que nous reprenons toutes les liquidités que nous donnons au titre du programme d'achat de titres.

Nous n'avons en rien monétisé ces titres puisque nous reprenons l'intégralité de la liquidité que nous donnons, euro pour euro.

En ce qui concerne votre second point, je dois dire que notre compréhension de la situation présente est que, dans un très grand nombre de cas – et, encore une fois, je ne cite pas simplement des cas au sein de la zone euro mais également des cas en-dehors de la zone euro, dans des pays industrialisés –, nous nous trouvons dans une zone où la méfiance joue contre la reprise et contre la consolidation de la reprise. Méfiance des ménages, méfiance des entreprises, méfiance des investisseurs.

C'est pourquoi nous pensons que ces politiques budgétaires que, selon un certain angle je crois, vous qualifiez de restrictives, sont des politiques budgétaires dont nous aurions tendance à dire qu'elles inspirent confiance parce qu'elles permettent de convaincre nos concitoyens, les entreprises et les investisseurs qu'effectivement, nous sommes en mesure de revenir à des situations soutenables à moyen et à long terme.

Dans un certain nombre de cas, le jugement porté consiste à dire que les politiques actuelles, si elles ne sont pas corrigées, ne sont pas soutenables à moyen et à long terme. Et alors là, évidemment, on se retrouve en présence de difficultés majeures pour consolider la reprise.

Nous croyons donc qu'il y a complémentarité entre ces politiques que je qualifierais de politiques de sagesse et de retour à une situation durable de politiques budgétaires saines.

1-033
Άννυ Ποδηματά (S&D). – Κύριε Πρόεδρε, εξηγήσατε λεπτομερώς και πλήρως τους λόγους που οδήγησαν την Ευρωπαϊκή Κεντρική Τράπεζα στην απόφαση να αγοράζει εθνικά ομόλογα από την δευτερογενή αγορά και απαντήσατε με απόλυτη επάρκεια σε όλες τις κριτικές που έχουν ασκηθεί στην απόφασή σας αυτή. Πρόκειται, ωστόσο, για μία απόφαση προσωρινού χαρακτήρα· όπως είπατε πριν από λίγο, είναι μία απόφαση περιορισμένης διάρκειας.

Ήθελα να σας ρωτήσω εάν μπορείτε να μας δώσετε κάποια ιδέα για τον χρόνο διάρκειας αυτής της απόφασης και εάν έχετε κάποιες σκέψεις για τη συνέχεια που θα πρέπει να δοθεί μετά. Εάν δηλαδή υποστηρίζετε την ιδέα δημιουργίας ενός ειδικού φορέα, ενός ευρωπαϊκού μηχανισμού αγοράς εθνικών ομολόγων και έκδοσης ευρωομολόγων, για παράδειγμα,

ώστε να διασφαλίζεται το ίδιο επίπεδο κόστους δανεισμού για όλα τα κράτη μέλη της ζώνης του ευρώ. Έχετε προτείνει την δημιουργία ενός ανεξάρτητου θεσμού διαχείρισης κρίσεων με κεφαλαιακή επάρκεια. Θα μπορούσε ίσως η επέμβαση στην δευτερογενή αγορά ομολόγων να περιλαμβάνεται στις αρμοδιότητες μιας τέτοιας αρχής;

1-034
Jean-Claude Trichet, *President of the European Central Bank***. –** Concerning your first question, I would say that is the case for all non-standard measures – for instance the fact that we are supplying liquidity on a term base, on a full allotment basis and at fixed rate – that have been decided after, in particular, the intensification of the crisis in mid-September 2008.

I have mentioned the reactivation of some of these non-standard measures, for example the activation of the swap agreement with the United States Federal Reserve. I have also mentioned the securities market programme. All these are non-standard measures which are not to be followed permanently. These measures are transitory. That is absolutely clear. I cannot say anything more on this but would only mention their characteristic of not being long-lasting.

As regards your remark on – I if understand correctly – European bonds in general, we in the ECB, as you know, are not in favour of European bonds in which the various countries would be joint and several. We do not consider that appropriate in the present circumstances. I know that there are a number of voices calling for this, but it is not our position.

Of course we are observing what has been done in Europe in working out this special vehicle, which has been approved by various parliaments and is being implemented, but is not based on a joint and several guarantee. What is being done in the present circumstances has to be observed very carefully, because it is full of lessons in terms of the crisis management framework that we mentioned in our proposal.

That is one of the three points that the van Rompuy task force is examining. As I said in the introductory statement, two points are being examined and the van Rompuy task force has not yet examined the crisis management framework.

1-035
Ramon Tremosa i Balcells (ALDE). – Madam Chair, Mr Trichet, Dominique Strauss-Kahn said six months ago that the banking industry losses may not yet be apparent. He said that losses that have not yet been revealed and are still hidden in banks' balance sheets could perhaps amount to 50%. Mr Strauss-Kahn also said that this proportion is much higher in Europe than in the United States.

What is your opinion about this?

My second question is that, in the eurozone, Spanish banks have not yet recognised any losses. José María Roldán, the Director-General for banking regulation of the Bank of Spain, estimated three months ago that exposure of the Spanish financial system to the Spanish real estate sector was about EUR 450 000 million, an amount equivalent to 45% of Spanish GDP. Moreover, Javier Gómez ***Navarro***, President of the Spanish Chamber of Commerce, also said three months ago that at least 25% of this amount would never be recovered.

In this context, what is your opinion about the Spanish bank rescue fund known as FROB? Do you think that a bad bank solution which provides recapitalisation and transparency would have been preferable to the current fund, that in my opinion does not provide enough transparency?

1-036
Jean-Claude Trichet, *President of the European Central Bank***. –** I have no particular comment to make on your first question. I do not consider that there are differences between the two sides of the Atlantic in terms of losses or the display of losses. We are in two economies that have a different way of financing their own economy. As you know, in our case, financing of the economy goes very much through commercial banks; in the US, financing goes very much through markets. You have a level of structural difference that has to be taken into account, but I would not say that there are significant differences on the two sides of the Atlantic. It does not seem to me that this is substantiated.

In so saying – and as I have already said – the stress tests that have been decided upon by European governments are very important and I take it that what is being done by the Spanish authorities at present – namely, to be part of this stress-testing at the level of Europe in general – will be done in full compliance with what we are calling for. What we are looking for is full transparency and the capacity to demonstrate that, in a number of cases, the situation is better than is perhaps perceived by certain observers, and in other cases the situation calls for appropriate solutions and the appropriate solutions then have to be there.

1-037
Miguel Portas (GUE/NGL). – Senhora Presidente, duas perguntas: em primeiro lugar, não percebi, ou não me chega uma resposta sobre os eurobonds como "não consideramos apropriado". E não me chega, muito em particular, tratando-se do Banco Central Europeu, pela simples razão de que eu também me lembro de que o Banco Central Europeu, em Julho de 2008, tinha as suas taxas de referência a 5% e resistiu até finais de Outubro a baixá-las. Portanto, preciso de uma razão mais sustentada, para além de "não é apropriado". Mas a segunda pergunta está relacionada com esta e é a seguinte: então e se os eurobonds forem emitidos pelo Banco Europeu de Investimentos? Qual é a sua opinião? Não sendo emitidos pelo Banco Central Europeu, e se fossem pelo Banco Europeu de Investimentos?

A última questão é sobre uma das matérias que o Grupo de Trabalho de ***Van*** Rompuy está a preparar a propósito do último pacote, do último grande pacote, e que tem

que ver com o modo como se acompanham os orçamentos nacionais. O que significa, exactamente, uma espécie de visto prévio sobre os orçamentos nacionais e como é que um visto prévio, ou seja, anterior à decisão dos parlamentos nacionais, é compaginável à luz dos actuais tratados?

1-038
Jean-Claude Trichet, *President of the European Central Bank***.** – I hope I fully understood your second question. I am not absolutely sure, so you may correct me.

On your first question, it is the ECB's long-standing position to consider that the appropriate functioning of our framework was based upon reinforcing surveillance – before the experience of the most recent crisis – and strictly applying the spirit and the letter of the Stability and Growth Pact. That, for us, was absolutely of the essence. On the other hand, we considered it as part of the framework to have the various governments responsible for their own budgetary policy and their own signature in front of their own investors, in particular domestic and external investors. This was part of the way we could be as sure as possible that the framework was functioning correctly. What we could see of course was that the spirit and the letter of the Stability and Growth Pact have not been fully respected and that is a big problem that we have to correct as energetically as possible.

We did not change our opinion as regards euro bonds, and the issuer of euro bonds makes no difference. As you see, when we are in absolutely exceptional circumstances, Europe has found a way to create a special purpose vehicle. I do not insist on that because that is what is being done before our eyes.

As regards the second question, it seems to me that it was directed towards the European semester, but maybe I am wrong. In any case, we have to be absolutely clear. If we want the interdependency that is associated with sharing a single currency to be fully taken into account, it is absolutely clear that the various fiscal policies have to be examined by independent institutions, assessed by the Commission and judged by peers. That is absolutely necessary, and if we do not have that then we are creating the dependencies that we are experiencing. I think this is a hard way to learn that we share a destiny in common when we have a single currency. As I used to say, *wir teilen ein gemeinsames Schicksal. Nous partageons un destin en commun.*

1-039
Markus Ferber (PPE). – Frau Vorsitzende, Herr Präsident! Ich darf da direkt anknüpfen. Ich habe momentan nicht das Gefühl, dass wir einen Mangel an Experten hätten, die in der Lage sind, nationale Haushalte anzugucken. Der Konstruktionsfehler ist doch momentan der, dass ein politisches Gremium – nämlich die Finanzminister – im Nachhinein, nach der Abwicklung eines Haushaltes zu befinden hat, ob alles gut gegangen ist, also ob die 3 % erreicht wurden, und wenn es nicht gut gegangen ist, dann irgendwelche Maßnahmen zu beschließen hat, wohl wissend, dass sie selber auch einmal Betroffene sein können. Und wenn die Sünder über die Strafen zu befinden haben, dann werden sie sehr gnädig mit sich umgehen.

Jetzt ist aber die andere Frage, ob Peer-Reviews, also dass wir Experten die Dinge anschauen lassen, richtig sind. Ich stelle mir auch die Frage, ob eine Kommission nicht auch zu politisch ist und zu sehr von den Hauptstädten mit beeinflusst wird, um die Vorschläge, die jetzt auf dem Tisch sind, ordentlich abzuarbeiten. Jetzt stellt sich mir die Frage, nachdem wir eine Institution haben, die sich Europäische Zentralbank nennt, die ja, wenn ich den Vertrag richtig verstanden habe, unabhängig ist, an keine Weisung gebunden ist – die Mitglieder des Direktoriums können nur eine Amtszeit machen, so dass sie auch hier nicht unter Druck gesetzt werden können –, ob das nicht eine Aufgabe für die EZB wäre, als neutrale Instanz eine viel stärkere Rolle zu spielen, als dass man irgendwo Gutachten einholt oder eine Kommission, die ja auch nur politisch entscheidet, diese Kontrolle vornehmen lässt. Welche Rolle stellen Sie sich da für die EZB vor?

1-040
Jean-Claude Trichet, *President of the European Central Bank***.** – First of all I would say that what you said about the need to be preventive is, to my eyes, absolutely essential.

If we only look at decisions after they are taken, we are in a situation where we cannot work correctly. That is the reason why in the areas where we have to make big progress, it seems to me that we have to look at early quasi-automaticity in preventing budget policies or fiscal policies that miss the trajectory towards the medium-term objectives. Long before you have any 3% problem or any kind of threshold problem, and because you are not going in the direction of the medium-term objectives, you would therefore have some kind of early quasi-automatic sanctions.

We have to work on making maximum use of the new possibilities offered by the secondary legislation, but I fully agree with you that if this happens after the event, we are in a situation which is much more difficult. In so saying, we also have to have quasi-automaticity when the thresholds in question have been exceeded. That is also something which did not exist until now in observations on the implementation of the Stability and Growth Pact.

We have always considered that we were part of the process and we are, as you know, active in the Euro Group, active in the EFC, active in all the working groups of the euro area in particular. We stand ready and are available. In the present circumstances, a new concept has emerged saying the Commission must be in liaison with the ECB. That is something we have accepted fully in the ECB Governing Council and which demonstrates our availability.

Now, to be absolutely clear and in line with the Governing Council guidelines, we said that this independent entity that would assess and monitor fiscal policies would preferably be within the Commission, but also said that it should be an independent institution.

1-041
Burkhard Balz (PPE). – Frau Vorsitzende! Ich habe drei kurze Fragen. Der Internationale Bankenverband hat sich ja gerade jüngst in Wien getroffen, und da war meine Wahrnehmung, dass Alarm geschlagen wurde, weil die zunehmende Regulierung auch Wachstum bedrohen würde. Es war dort die Rede von bis zu 10 Millionen Jobs, die in der Europäischen Union, in den USA und in Japan möglicherweise durch die Regulierungsmaßnahmen gefährdet sind oder auch nicht entstehen würden. Ist das aus Ihrer Sicht alles nur Panikmache oder sind das durchaus berechtigte Hinweise des Internationalen Bankenverbandes? Das ist meine erste Frage.

Die zweite Frage zu Ratings von Staaten: Ich glaube, dass die EZB die Institution ist, die weltweit mit am besten beurteilen kann, wie die Staaten bonitätsmäßig dastehen. Könnten Sie sich vorstellen – vielleicht auch als *entity* um die EZB herum gruppiert – eine Quasi-Ratingagentur für Staaten mit ins Leben zu rufen?

Und die dritte Frage zum Interbankenmarkt: Da hört man natürlich momentan sehr viele verschiedene Fragen. Wie beurteilen Sie zum jetzigen Zeitpunkt den Interbankenmarkt in Europa? Ist die Stabilität wiederhergestellt?

1-042
Jean-Claude Trichet, *President of the European Central Bank.* **–** I would just mention the fact that we have a primary mandate – and a very important one – granted by the Treaty and confirmed permanently by the people of Europe, who are very keen on being sure that we deliver price stability. We never forget that this is, so to speak, the needle in our compass.

That being said, concerning your three questions, firstly, it is true that I often see in the commercial banking community the fear that the rules and regulations we are working on – in the context of Basel III and within the methodology of the G20, the Financial Stability Board and the Basel Committee – could hamper recovery.

What we are saying is that, first of all, it is extremely important that we are sure that in the steady state – the permanent regime in the medium to long-term future – we have a financial sector that is much more resilient. We regularly have to explain to the banks that what was done in 2008 and 2009 was gigantic. On counting all the taxpayer risk which was taken, on both sides of the Atlantic at that moment, I see it amounts to 27% of GDP. The fact that it is more or less the same amount on both sides of the Atlantic means something. It means that we were, at a global level, in a situation which was extremely grave. They did not necessarily realise that. My sentiment – and I think it is widely shared amongst authorities – is that we will not do that twice. We did it once to avoid a big depression that would have been really dramatic. We had a very significant recession and I think that we have to be very careful not to put ourselves in such a situation again. The banks have to understand that.

That being said, there is a difference between the permanent regime – the steady state – and the transition to the steady state. It is true that we all have to look at the rules and regulations of the steady state to be sure that we are on solid ground and that the system is much more resilient. At the same time we have to make sure that the transition does not create additional problems for the recovery. That is my comment on your first question.

Regarding your second question, I am not going to suggest any quick fix on the issue of rating agencies. We have already discussed that. It is a very important issue and we have to take care that the system we are in is less pro-cyclical. That is very important, but I would not suggest that we can necessarily substitute ourselves for rating agencies.

On the third point, have observed inter-bank market tensions. It is because we observed those inter-bank market tensions that we had in particular to reactivate part of the non-standard measures that we had taken in the past. I hope and expect that all the decisions that have been taken – and of course the appropriate new decisions that have been taken, including the stress testing we mentioned – will permit a progressive return to a more normal functioning of the inter-bank market.

1-043
Zoran Thaler (S&D). – Mr Trichet, sovereign debt problems are a present threat and are the next chapters in the financial and economic crisis.

In 2007, EU-27 debt was just below the 60% margin required by the Treaty. Although the basic rule of budgetary policy is that Member States should avoid excessive government deficits, the forecast for this year is that, at EU-27 level, debt will equal almost 80% of GDP. As we are all aware, the Greek situation is the most dramatic at the moment. The governments of the eurozone have made decisions to financially aid Greece and consequently to save Europe. The general view out there among our citizens as taxpayers is that, after bailing out the banks, we the citizens are now bailing out countries.

I would like to ask you as the man in charge, as the man of knowledge, to answer the repeated question from our citizens, the people of Europe, as to what in your opinion the consequences would be if Greece were to leave the eurozone for a period of time and rejoin it when it had settled its sovereign debt and other problems?

What would be the consequences for Greece and for the EU and for the eurozone? At this moment, I am not personally an advocate of this idea, but I must admit that

I hear such questions all the time whenever I am among citizens.

1-044
Jean-Claude Trichet, *President of the European Central Bank***. –** I hear what you are saying about the EU 27 and the level of debt outstanding as a proportion of GDP, and I fully agree with you.

As I said, we have a public financing problem at the level of the industrialised countries as a whole. It is not surprising that we are observing this in Europe at the level of the EU 27. Were I to take the G7 as opposed to the EU 27, you would also see that the yearly deficit as a proportion of GDP is, for a large number of the G7 major economies, at the level of 10.5% or 11%.

Europe as an integrated, consolidated entity is below that, and so is the euro area. When you add up all the yearly deficit, you arrive at something in the order of magnitude of 6.527% of the deficit. This is a problem for all the industrialised countries.

Concerning your second question, it is not difficult to imagine the problems that would be created, but that is not my working assumption, so I will not elaborate on it.

1-045
Ivo Strejček (ECR). – Paní předsedkyně, pane prezidente, já bych chtěl ocenit, jak rozvážně vysvětlujete – tomu problému jste se dnes poměrně dost věnoval – problém dluhopisů. Nicméně vy sám dobře víte, že Evropská centrální banka se rozhodla k bezprecedentnímu kroku ve své historii, tedy k nákupu dluhopisů členských zemí eurozóny. Samozřejmě to vzbudilo celou řadu komentářů, emocí a pochyb. Mohl byste nám vysvětlit, nebo pokusit se vysvětlit, proč Evropská centrální banka byla v detailech těchto odkupů netransparentní, proč Evropská centrální banka nezveřejní konkrétní dluhopisy, tedy dluhopisy konkrétně kterých zemí a dluhopisy s jakou splatností byly odkoupeny a kde se eventuálně tyto informace dají sehnat, dají získat, proč jsou neveřejné. Děkuji.

1-046
Jean-Claude Trichet, *President of the European Central Bank***. –** I have explained what we had done and why what we had been doing was of a different nature to what has been done, for instance, in the United States, in the UK or in Japan where you had such purchases based on the idea of quantitative easing. In our case it was with a different purpose and, as you know, we have withdrawn all the liquidity that had been injected.

The information the Governing Council has decided to give is the amount of purchases which are displayed and the amount of withdrawal of liquidity. To give you an idea of the order of magnitude, in the first week we had an order of magnitude of purchases of 16.5 billion; the second week around 10; the third week around 8.5; the week after 5.5; the week after 6.5 and the last information which was given today is 4. That is the amount of information we are giving at this stage. The Governing Council has decided not to give more information than that which, of course, is important because we see the order of magnitude of what we are doing and the order of magnitude of what we are withdrawing, as far as liquidity is concerned, from the market on a regular basis through the tender of term deposits which are weekly term deposits.

1-047
Chair. – Mr Trichet, in your opening remarks you mentioned the balance sheet channel, which was one of the three factors that stimulated the intervention in order to purchase Greek bonds. I would like to explore that further.

Under the Capital Requirements Directive, banks hold a lot of sovereign debt because there is zero risk weight. That has an underlying assumption that there is no nominal risk on the currency, and of course that is not the case if you are not in a position to do the famed quantitative easing and actually print your currency. It is also a criteria under the CRD that the zero risk weight only applies when there are deep and liquid repo markets. I am not quite sure that would have been the case without the intervention of the ECB, but we can see the little cycle that you are in and the reasonable nature of the action that you took. Does it not show, however, that there is also another way in which you could get some of this semi-automaticity that you are talking about, if that risk weighting within the CRD was more responsive to the debts of a country? It would not then require political intervention by the Commission or others to come forward with a deficit procedure as soon as the market saw that there was a problem with the deficit in a country: that would automatically have an impact into the risk weighting and therefore into the keenness or otherwise with which the banks held those instruments. That means that they would slowly get rid of them if they had a risk weighting, which would, in itself, automatically stabilise matters. Would you comment on that please?

1-048
Jean-Claude Trichet, *President of the European Central Bank***. –** Madam Chair, what you said is something that is very important to consider. It is true that in the present system we have the presumption that there is no risk in sovereign debt, as you said. That is something which is very much embedded in the discussions we had at global level. This has to be fully understood in a system where we have a single currency for several sovereign countries. We reflect a lot on it. It is the main reason why we have always been so keen on asking for the Stability and Growth Pact to be fully implemented, because everything you said comes after deviation from sound policies has taken place. Then you have to cope with a situation which is abnormal, in the context of the framework that we all decided on and which is enshrined in the Maastricht Treaty and, of course, in the present secondary legislation.

I agree that what you said is extremely important to reflect upon.

1-049

Νικόλαος Χουντής (GUE/NGL). – Κυρία Πρόεδρε, επειδή η συνάντηση με τον κύριο Trichet είναι η τελευταία πριν από τις διακοπές, θα ήθελα, υπό τη μορφή απολογισμού, να τον ξαναρωτήσω δύο πράγματα για τα οποία ρωτούσα τον κάθε αρμόδιο στη διάρκεια όλου του χειμώνα και, ομολογώ, και ο κύριος Trichet έδινε κάποιες απαντήσεις. Επανέρχομαι λοιπόν κύριε Trichet:

Πρώτον, τί επέβαλε το Διεθνές Νομισματικό Ταμείο και με ποίους όρους έχει μπει στην ευρωζώνη; Ποίοι είναι οι λόγοι που φέρατε στην ευρωζώνη το ΔΝΤ; Σήμερα εσείς αισθανόσαστε ανεξάρτητος από το ΔΝΤ δεδομένου ότι, όπως διαβάζουμε και στον Τύπο, το ΔΝΤ στέλνει επιστολές σ' εσάς, στην Επιτροπή, υπαγορεύοντας και αυτό εποπτείες και κυρώσεις;

Δεύτερον, έχετε ξανασκεφθεί, όπως σωστά αναφέρατε μεταξύ των διαφόρων άλλων θεμάτων, τα ποιοτικά άλματα, τα 'κβαντικά' άλματα που πρέπει να γίνουν στην Οικονομική Νομισματική Ένωση; Μήπως θα πρέπει να αλλάξει και ο ρόλος αλλά και οι στόχοι της Ευρωπαϊκής Κεντρικής Τράπεζας; Όπως αποδείχθηκε, τροποποιείτε σύμφωνα με το παράγωγο δίκαιο - όπως είπατε, και αν σωστά το κατάλαβα - τη μορφή δανεισμού. Σας ερωτώ λοιπόν, μήπως και η ίδια η ΕΚΤ - και καταλαβαίνω τη δυσκολία - χρειάζεται ένα 'κβαντικό άλμα' προκειμένου να παίξει καλύτερα το ρόλο της;

1-050

Jean-Claude Trichet, *President of the European Central Bank***.** – Concerning your first question, let me just say that in the case of Greece we had a single programme which was discussed and decided upon by the Greek Government and which was approved both by the IMF on the one hand and – with appropriate presentation by the Commission in liaison with the ECB – by the European Governments themselves. We had, in this case, a demonstration of what I would call good cooperation between the IMF, on the one hand, and the European institutions on the other hand.

As regards the second question, I would say again that our primary mandate, our Treaty mandate, and what our fellow citizens expect of us, is to deliver price stability. Delivering price stability is what we do. When we are in exceptional circumstances, and when we see that either the financial markets are not functioning for any particular reason or that a particular financial market, or part of the financial market, or the money market itself, is not functioning – as has been observed, very unfortunately, during the recent period – under the shock and very abrupt stress of the intensification of the financial crisis, and most recently in Europe, then we see what we can and cannot do to help restore a more normal functioning of those markets.

These are what we have called non-standard measures. They are not hampering, should not hamper and never will hamper the primary goal of price stability. That is the reason why, when I explained the securities market programme, I told you that we were not changing our monetary policy stance and that we were eliminating from the market all the liquidity that we had injected.

1-051

President. – Thank you very much for answering all our questions, Mr Trichet.

(Applause)

Our next meeting with you will be on 27 September.

(The meeting closed at 18.25)