

## Press release – ECB policy is working, but new challenges need new responses



The resolution, setting out Parliament's priorities on the European Central Bank's (ECB) future policies, spearheaded by Costas Mavrides (S&D, CY), was approved on Wednesday by 452 votes in favour, 142 against and 33 abstentions following Tuesday's debate with ECB President Christine Lagarde.

In order to boost the slowing EU economy and encourage growth, MEPs asked the ECB to continue to expand the overall money supply. However, sustainable growth cannot be achieved through monetary policy alone and EU member states still need their own fiscal policies and to implement economic reforms, says the resolution. Furthermore, low or negative interest rates have a harmful impact on pensions and insurance systems, they add. Parliament also notes the importance of continuing with the ECB's preparatory efforts to ensure EU financial markets remain stable after the withdrawal of the United Kingdom from the EU.

### **Bring ECB policies in line with Paris Agreement**

Parliament calls on the ECB to better integrate environmental, social and governance (ESG) principles into its policies and redesign its corporate sector purchase programme (CSPP) to better support environmentally sustainable initiatives. MEPs deplored that green bond issuance still accounts for only 1 % of the overall supply of euro-denominated bonds, while

a majority (62.1 %) of ECB corporate bond purchases remain in sectors that are responsible for 58.5 % of euro area greenhouse gas emissions.

### **Digital currencies and anti-money laundering**

The resolution invites the ECB to step up its efforts to combat money laundering, tax evasion and other forms of financial crimes, by creating a system to better monitor large transactions. MEPs also note the need to monitor crypto-assets more closely. In collaboration with the Commission, the ECB should assess the EU legal and regulatory framework on e-money, financial instruments and virtual currencies/assets.

### **Greek bonds**

MEPs regret that the ECB has not yet included Greek bonds in its public sector purchase programme (PSPP), despite positive developments in Greece.