

# [Press release – Lagarde discusses the European Central Bank’s policy revamp with MEPs](#)



In her [opening remarks](#), Ms Lagarde set out the ECB’s outlook for the Euro area characterised by sluggish growth and sought to justify how the ECB’s actions, within that economic environment, were pertinent. She then outlined the main reasons that made a review of the ECB’s monetary strategy necessary. Finally, Ms Lagarde outlined how, under her Presidency, priority would be given to better communicating the necessity of the ECB and its work to the public in order to build trust and thereby make ECB policy more effective.

## **Priorities for monetary policy review**

Many MEPs asked for more details on how the ECB could prioritise the fight against climate change more effectively in its [revamped monetary policy](#), while providing suggestions of their own. A few MEPs asked how the strategy review would address the most recurrent criticisms levelled at the ECB over recent years, notably the negative effects on savers and pensioners. Finally, some MEPs called for prudence with regards to possible changes to the basket used to calculate the inflation index, namely the fluctuation of house prices.

## **Addressing a possible downturn**

A number of MEPs asked for more details on the measures the Central Bank would envisage activating, if the risks to financial stability seen on the horizon were to materialise. Some also raised the point that bond purchases could not be a panacea for dealing with the sluggish economy. MEPs raised concerns that the bank supervision and restructuring mechanisms were not functioning well enough and that the regulatory framework, in which the ECB is an actor, would need to be reviewed.

The effects of Brexit on financial services, clearing, and monetary stability was also raised by some MEPs.

### **EP-ECB interactions over coming days**

EP-ECB relations will be intense over the coming days, with a delegation of MEPs from the committee due to meet with ECB officials and its President on Monday in Frankfurt and a debate in plenary with Ms Lagarde on Tuesday to discuss the ECB's past and future actions. A report reacting to the ECB's 2018 activities and looking forward to future activities will be then adopted by the plenary on Wednesday.

*Watch the video recording of the debate*

[Statement by Christine LAGARDE](#)

[Questions by MEPs and answers](#)