

# Yves Mersch: Interview with Hospodarske noviny



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

## **Interview with Yves Mersch, Member of the Executive Board of the ECB, conducted by Kristina Votrubova on 11 January 2019**

**There are rumours about the ECB's plans to raise interest rates, however there are also voices that it is not a good idea, as the situation is changing. What is the ECB's position?**

The ECB's position is that we will continue with our policy of monetary accommodation for as long as necessary. We are confident that what we have done is helping us to get inflation in line with our objective at levels below, but close to, 2% over the medium term.

**So no date has been established for raising the interest rates.**

We never announce in advance how, when or by how much we intend to use different instruments. That is not how central banks work. We give broad forward guidance on the direction of our monetary policy. But we always look at incoming information and evaluate whether it is in line with how we expected the economy to behave. What is currently happening to the economy is still broadly in line with our baseline scenario. We had already anticipated a slowdown in growth when we announced these baselines. Now that the slowdown is materialising, we do not have to take it into account for a second time in our policy response. Fundamentals have not changed but political uncertainty has increased.

**Slovakia would need interest rates to rise as household debt is increasing alarmingly. What is the ECB's view of the situation in Slovakia?**

First, we conduct monetary policy for the euro area as a whole rather than for individual countries. Second, if we raised interest rates to curb household debt, the effect would also impact the corporate sector and investment. That is why there are macroprudential instruments at the disposal of national authorities. And I have seen that the competent authorities in Slovakia, including the national central bank, have taken action to tackle the dynamic rise of household debt. I think once you have put such instruments into action, you would like to see also what the effect of these instruments is. Do they work as is expected? And, as I have been told, there seems to be a positive reaction.

**In the majority of European countries, the economic cycle has already reached its peak and the euro area economy is slowing down. How does the ECB view the situation and what are you going to do about it?**

As I said, we take the expected path of the economy into account in our policy decisions. However, a slowdown does not mean that we will slide into a recession. What is happening right now is what we expected to happen.

**So are you reconsidering plans to end quantitative easing?**

At each meeting of the Governing Council we assess whether the economy is in line with our expected baseline scenario. If we identify a deviation, we analyse the reasons for it and the impact it is likely to have on inflation. Let me remind you that our sole objective is to maintain price stability.

**The German economy, which is the largest economy in the euro area, has underperformed expectations. What does this mean for the euro area as a whole?**

The slowdown in the third quarter was mainly caused by the automotive industry, which was affected by the diesel scandal and related aspects. But a slowdown in one quarter in one country is not sufficient to prompt a monetary policy response at the euro area level. We would have to see whether a slightly deeper slowdown in one quarter might not be followed by a slightly better performance in the following quarter. Once the relevant data are available, we will assess the trend and the future path of the euro area economy. We will then judge whether it is still in line with our inflation expectations, as price stability is the only needle in our compass.

**How will Brexit affect the euro area economy?**

The UK economy has been deeply integrated into the European one in very diverse sectors. Inevitably, Brexit will have some consequences. However, it is unclear which players will be relative winners or losers, as the consequences will not be evenly distributed. Obviously, we would have preferred not to have Brexit, because we are not eager to see unnecessary shocks to the economy. For me, the main concern is uncertainty, which has a negative impact on all sectors of the economy and on all countries.

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# ECB publishes single Code of Conduct for high-level officials



EUROPEAN CENTRAL BANK  
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PRESS RELEASE

16 January 2019

- Governing Council, Executive Board and Supervisory Board members bound by same code
- Guiding principles for external communication by ECB Executive Board members strengthened and extended to other high-level officials
- Following recommendation by European Parliament, high-level ECB officials to publish annual Declarations of Interests

The European Central Bank (ECB) today published a single Code of Conduct for all ECB decision-makers and high-level officials. The code is the latest measure undertaken by the ECB to further strengthen and refine its good governance and integrity frameworks. The ethical rules take into account the ECB's specificities as a central bank, a banking supervisor and an EU institution.

The code improves the management of potential conflicts of interest by introducing specific rules for post-employment activities, private financial transactions and relations with interest groups. It also foresees the publication of Declarations of Interests and monthly calendars, and includes measures for pursuing cases of non-compliance. The first Declarations of Interests are scheduled to be published on the ECB's website in April 2019.

As a key element of the ECB's good governance framework, the [guiding principles](#) for external communication by the ECB's Executive Board members have been incorporated into the code and their application has been extended to all Governing Council and Supervisory Board members. These principles are a key element of the ECB's good governance framework and establish stringent safeguards for interactions with interest groups and, in particular, financial market participants.

The new code, which entered into force on 1 January 2019, responds to requests from the European Parliament and the recommendations of the European Ombudsman.

**For media queries, please contact [Esther Tejedor](#), tel.: +49 69 1344 95596.**

## Notes:

- The [Single Code of Conduct](#) for high-level ECB officials covers the members of the Governing Council, the Executive Board, the Supervisory Board, the General Council, the Audit Committee, the Ethics Committee and the Administrative Board of Review.
- The code replaces the [2002 Code of Conduct](#) applied to Governing Council members, the [2010 Supplementary Code of Ethics Criteria](#) for Executive Board members and the [2014 Code of Conduct](#) for Supervisory Board members.
- The Governing Council of the ECB is the institution's main decision-making body. It consists of the six members of the Executive Board plus the governors of the national central banks of the 19 euro area countries. Its responsibilities include adopting the guidelines and taking the decisions necessary to ensure the effective performance of the tasks entrusted to the ECB and the Eurosystem, and formulating monetary policy for the euro area.
- The Executive Board consists of the President, the Vice-President and four other members. Its responsibilities include preparing for Governing Council meetings, implementing monetary policy for the euro area in accordance with the guidelines specified and the decisions taken by the Governing Council, and managing the day-to-day business of the ECB with the support of the Chief Services Officer.
- The Supervisory Board plans and carries out the ECB's supervisory tasks. It consists of the Chair, the Vice-Chair, four ECB representatives and representatives from the national supervisors.

[Media contacts](#)

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# Statement by President Juncker on the outcome of the Meaningful Vote in the United Kingdom House of Commons

I take note with regret of the outcome of the vote in the House of Commons this evening.

On the EU side, the process of ratification of the Withdrawal Agreement continues.

The Withdrawal Agreement is a fair compromise and the best possible deal. It reduces the damage caused by Brexit for citizens and businesses across Europe. It is the only way to ensure an orderly withdrawal of the United Kingdom from the European Union.

The European Commission, and notably our Chief Negotiator Michel Barnier, has invested enormous time and effort to negotiate the Withdrawal Agreement. We have shown creativity and flexibility throughout. I, together with President Tusk, have demonstrated goodwill again by offering additional clarifications and reassurances in an exchange of letters with Prime Minister May earlier this week.

The risk of a disorderly withdrawal of the United Kingdom has increased with this evening's vote. While we do not want this to happen, the European Commission will continue its contingency work to help ensure the EU is fully prepared.

I urge the United Kingdom to clarify its intentions as soon as possible.

Time is almost up.

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## Daily News 14 / 01 / 2019

### **Joint letter by President Juncker and President Tusk to Prime Minister May**

Commission President Jean-Claude **Juncker**, together with European Council President Donald Tusk, has today replied to a letter by Prime Minister of the United Kingdom, Theresa May, providing clarifications to the Withdrawal Agreement and Political Declaration as negotiated between the European Union and the United Kingdom. The letter is available online [here](#). (For more information: Margaritis Schinas – Tel.: +32 229-60524; Daniel Ferrie – Tel.: +32 229-86500)

## **DiscoverEU gives 14,500 more young people the chance to explore Europe**

The [second round](#) of the European Commission's [DiscoverEU](#) initiative attracted applications from almost 80,000 young people from all EU Member States during a [two-week period](#) that closed on 11 December 2018. 14,536 young Europeans were selected based on the [award criteria](#) and taking into account the [quota set for each EU Member State](#). Commissioner Tibor **Navracsics**, responsible for Education, Culture, Youth and Sport, said: *"It is wonderful to see how young Europeans are using DiscoverEU to get to know their continent. In total, almost 180,000 young people from all over Europe have applied during the two rounds in 2018; and thanks to this initiative, we will have so far given around 30,000 young people the chance to explore Europe's cultures and traditions and connect with other travellers, as well as the communities they are visiting. It is inspiring to see how young people are exploring Europe through a personal journey. DiscoverEU allows them to plan their own trips, share their stories on social media and make new friends."* The winners of the second round will now be contacted so that they can book their trips. They will be able to travel, alone or in groups of maximum five people, between 15 April and 31 October 2019 for up to 30 days. DiscoverEU was launched in June 2018, following a proposal from the European Parliament for a Preparatory Action with a budget of €12 million in 2018. The first application round gave around 15,000 young people the opportunity to travel around Europe. For 2019, the European Parliament has approved €16 million for DiscoverEU. The Commission is planning to launch the next application round in summer 2019. Specific dates and further information will be announced on the European Youth Portal in due course. A [press release](#), [memo](#) and [factsheet](#) are available online. (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184)

## **Politique de cohésion: un meilleur système de registre foncier pour les citoyens en Roumanie**

Près de 266 millions d'euros du Fonds européen de développement régional (FEDER) vont être investis afin d'élargir la portée du cadastre, le système d'enregistrement de terrains dans les zones rurales en Roumanie. Ce projet vise à renforcer la sécurité juridique et la transparence des droits immobiliers. La commissaire chargée de la Politique régionale, Corina **Crețu**, a déclaré: *"Ce projet de la politique de cohésion protège activement les personnes vivant dans les zones rurales en renforçant leurs droits de propriété. Il facilitera l'accès des propriétaires fonciers aux fonds européens et contribuera également au développement économique de ces régions, grâce à une plus grande sécurité juridique stimulant les investissements et accélérant la mise en œuvre de projets clés d'infrastructures"*. Le financement de l'UE servira à effectuer des enregistrements systématiques dans les zones rurales, à numériser et classer les archives existantes, à former le personnel impliqué, à développer l'utilisation des technologies de l'information et de la communication au sein des services d'enregistrement et à améliorer la gestion et le suivi des projets. Moins d'un quart des propriétés en Roumanie est actuellement inscrit au registre foncier. Le projet couvre 660 unités administratives réparties dans sept zones rurales en Roumanie: en cartographiant et en numérisant les

biens immobiliers dans la base centrale de données cadastrales, ce projet financé par l'UE contribuera à couvrir l'ensemble du territoire roumain. (Pour plus d'informations: Christian Spahr – Tél.: +32 2 295 00 55; Sophie Dupin de Saint-Cyr – Tél.: +32 229 56169)

### **Stronger supervision: Banking supervisors agree on a cooperation mechanism for combatting money laundering**

Today, the European Commission is following up on one of the actions laid out in President Juncker's State of the Union [proposal](#) to strengthen anti-money laundering supervision. The European Central Bank and national authorities supervising financial institutions' compliance with EU anti-money laundering obligations, in close cooperation with the European Commission and the European Supervisory Authorities, have reached an agreement on the new cooperation mechanism. The agreement clarifies the actions that need to be taken when a weak link is discovered in the system and how exactly information will be exchanged, so that cooperation in the fight against money laundering takes place in an efficient and timely way. Valdis Dombrovskis, Vice-President responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"Today Europe reaches another milestone in implementing our agenda to enhance money laundering supervision. Bank supervisors and anti-money laundering supervisors must work hand in hand to give no chance to money laundering in Europe."* Věra Jourová, Commissioner for Justice, Gender Equality and Consumers added: *"The EU has strong anti-money laundering rules, which are then applied by national anti-money laundering authorities. Money and criminals know no borders, so we need the authorities and European supervisors to react in a coordinated way. This agreement is a clear signal of this improved cooperation."* Today's agreement contains detailed rules on what type of information should be exchanged, under which conditions, and what confidentiality and data protection safeguards will apply to protect citizens' and companies' financial data. This deliverable was also highlighted as a priority in the [Action Plan adopted in the ECOFIN Council](#) of 4 December 2018, and is a requirement of the [5th Anti-Money Laundering Directive](#) which must be fully operational across the EU by January 2020. More information on the fight against anti-money laundering can be found [online](#). (For more information: Christian Wigand – Tel.: +32 229 62253; Mélanie Voin – Tel.: +32 229 58659)

### **Commission welcomes Francesco La Camera as newly elected Director-General of the International Renewable Energy Agency (IRENA)**

The Commission welcomes the decision by the International Renewable Energy Agency (IRENA) to elect the European candidate, Mr Francesco La Camera from Italy, as its new Director-General. Mr La Camera will succeed Mr Adnan Amin from Kenya, who has headed the organisation since it was officially inaugurated in 2011. Commissioner for Energy and Climate Action Miguel Arias Cañete said: *"The election of a European candidate for this important organisation demonstrates our leadership in the global world of renewables. I am confident that Mr La Camera is the right person to lead the International Renewable Energy Agency in the next phase of renewables deployment worldwide"*. Mr. Francesco La Camera is currently the Director of International Cooperation at the Ministry of Environment in Italy. He is



expected to start as the head of the organisation in April 2019. The International Renewable Energy Agency is an intergovernmental organisation with 160 member countries. The organisation's role is to support the acceleration of renewable energy throughout the world by providing technical assistance, policy support and new data and analysis to governments. In the European Union, the International Renewable Energy Agency played an important role in the assessment of Europe's cost-competitive potential for renewables in 2030. *(For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Lynn Rietdorf – Tel.: +32 229 74959)*

#### **State aid: Commission approves reintroduction of Croatian bank resolution scheme**

The European Commission has authorised under EU State aid rules the reintroduction of a bank resolution scheme in Croatia, which was initially approved in [October 2016](#) and prolonged in [June 2017](#). The measure will be available for small banks with total assets below €1.5 billion, only if they are found to be in distress by the competent national authorities. The objective of the scheme is to facilitate the work of the Croatian resolution authorities, should a concrete case and need arise for it. The Commission found the scheme to be in line with the [State aid rules on banking](#) applicable since 2013 and related EU law. The non-confidential version of the decision will be available under the case number SA.51814 in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel.: +32 229 55344)*

#### **Mergers: Commission clears acquisition of eight property companies by NN Group, Allianz Group and NRP**

The European Commission has approved, under the EU Merger Regulation, the acquisition of eight property companies by NN Group of the Netherlands, Allianz Group of Germany and NRP Group of Norway. The eight property companies own real estate properties located in Denmark and Sweden. NN Group and Allianz Group are both financial services providers. NRP Group provides direct investment and fund solutions within the real estate, shipping and offshore sectors. The Commission concluded that the proposed acquisition would raise no competition concerns, because of the limited impact of the transaction on the market structure. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.9210](#). *(For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)*

#### **Eurostat: La production industrielle en baisse de 1,7% dans la zone euro, baisse de 1,3% dans l'UE28 (novembre 2018 comparé à octobre 2018)**

En novembre 2018 par rapport à octobre 2018, la production industrielle corrigée des variations saisonnières a diminué de 1,7% dans la zone euro (ZE19) et de 1,3% dans l'UE28, selon les estimations d'Eurostat, l'office



statistique de l'Union européenne. En octobre 2018, la production industrielle avait augmenté de 0,1% tant dans la zone euro que dans l'UE28. En novembre 2018 par rapport à novembre 2017, la production industrielle a diminué de 3,3% dans la zone euro et de 2,2% dans l'UE28. Un communiqué de presse Eurostat est à votre disposition [en ligne](#). (Pour plus d'informations: Lucía Caudet – Tél. +32 229 56182; Victoria von Hammerstein-Gesmold – Tél.: +32 229 55040)

**Eurostat: Excédent de 38,7 milliards d'euros des échanges courants de l'UE28, excédent de 49,3 milliards d'euros pour la balance des services (troisième trimestre 2018)**

Le compte des opérations courantes de la balance des paiements de l'UE28, corrigé des variations saisonnières, a enregistré un excédent de 38,7 milliards d'euros (1,0% du PIB) au troisième trimestre 2018, en baisse par rapport à l'excédent de 59,9 milliards (1,5% du PIB) du deuxième trimestre 2018 et à celui de 60,4 milliards (1,6% du PIB) du troisième trimestre 2017, selon les estimations d'Eurostat, l'office statistique de l'Union européenne. Au troisième trimestre 2018 par rapport au troisième trimestre 2017, basé sur des données corrigées des variations saisonnières, l'excédent du compte des biens s'est réduit (+10,2 milliards d'euros, contre +24,4 milliards) tout comme celui du compte des services (+49,3 milliards d'euros, contre +51.0 milliards) ainsi que celui du compte des revenus primaires (+0,4 milliards d'euros, contre +5,2 milliards). Le déficit du compte des revenus secondaires a augmenté (-21,2 milliards d'euros, contre -20,8 milliards) tout comme celui du compte de capital (-3,4 milliards d'euros, contre -3,2 milliards). Un communiqué de presse Eurostat est à votre disposition [en ligne](#). (Pour plus d'informations: Annika Breidhardt – Tél.: +32 229 56153; Annikky Lamp – Tél.: +32 229 56151; Enda McNamara – Tél.: +32 229 64976)

[Upcoming events](#) of the European Commission (ex-Top News)

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## [DiscoverEU gives 14,500 more young people the chance to explore Europe](#)

The [second round](#) of the European Commission's [DiscoverEU](#) initiative attracted applications from almost 80,000 young people from all EU Member States during a [two-week period](#) that closed on 11 December 2018. 14,536 young Europeans were selected based on the [award criteria](#) and taking into account the [quota set for each EU Member State](#).

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*all over Europe have applied during the two rounds in 2018; and thanks to this initiative, we will have so far given around 30,000 young people the chance to explore Europe's cultures and traditions and connect with other travellers, as well as the communities they are visiting. It is inspiring to see how young people are exploring Europe through a personal journey. DiscoverEU allows them to plan their own trips, share their stories on social media and make new friends."*

The winners of the second round will now be contacted so that they can book their trips. They will be able to travel, alone or in groups of maximum five people, between 15 April and 31 October 2019 for up to 30 days. Most of them will travel by rail with alternative modes of transport used in exceptional cases.

As well as the travel pass, the young people will receive pre-departure guidance, and they will be able to get in touch with each other on social media. They will also be informed of special opportunities available to them, for example price reductions on entry tickets for museums or cultural sites, participation in learning activities or welcome events organised by locals in the cities they will visit.

## Background

DiscoverEU is an informal travel experience for young individuals or small groups, including those from disadvantaged backgrounds, which is accessible and simple. It gives 18-year-olds a chance to learn about European cultural heritage and diversity, to connect with other young people and to explore their European identity. The initiative was launched in June 2018, following a proposal from the European Parliament for a Preparatory Action with a budget of €12 million in 2018. The first application round gave around 15,000 young people the opportunity to travel around Europe. For 2019, the European Parliament has approved €16 million for DiscoverEU. The Commission is planning to launch the next application round in summer 2019. Specific dates and further information will be announced on the European Youth Portal in due course.

In May 2018, the Commission proposed €700 million for DiscoverEU as part of the future [Erasmus+](#) programme under the EU's next long-term budget for 2021-2027. If the European Parliament and the Council agree to this, an additional 1.5 million 18-year-olds would be able to travel over those seven years.

The Commission is working to develop DiscoverEU into an even more valuable and inclusive learning experience for young Europeans. To this end, the Commission aims to increase the impact of the action and improve it further based on the interests shown by young travellers and on feedback from both travellers and key stakeholders.

For more information

[Q&A 2<sup>nd</sup> round of DiscoverEU](#)

[Factsheet](#)

[European Youth Portal](#)