



EUROPEAN CENTRAL BANK
EUROSYSTEM

Mario DRAGHI

President

Mr Jonás Fernández
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 7 May 2015

L/MD/15/301

Re: Your letter (QZ-61)

Honourable Member of the European Parliament, dear Mr Fernández,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 7 April 2015.

With the 10-basis point reduction of the ECB's key interest rates in September 2014, the rates reached their effective lower bound. Further monetary accommodation is now being provided through non-standard measures, most notably the expanded asset purchase programme. These measures are effective in easing the monetary policy stance, as witnessed by the considerable easing of financial market conditions and the cost of external finance for the private sector over the past months, and notable improvements in borrowing conditions for firms and households, with a pick-up in the demand for credit.

Looking ahead, our focus will be on the full implementation of our monetary policy measures. Through these measures, we will contribute to a further improvement in the economic outlook, a reduction in economic slack and a recovery in money and credit growth. Together, such developments will lead to a sustained return of inflation towards a level below, but close to, 2% over the medium term and will underpin the firm anchoring of medium to long-term inflation expectations.

Yours sincerely,

[signed]

Mario Draghi

Address

European Central Bank
Sonnemannstrasse 20
60314 Frankfurt am Main
Germany

Postal Address

European Central Bank
60640 Frankfurt am Main
Germany

Tel. +49-69-1344-0
Fax: +49-69-1344-7305
Website: www.ecb.europa.eu