

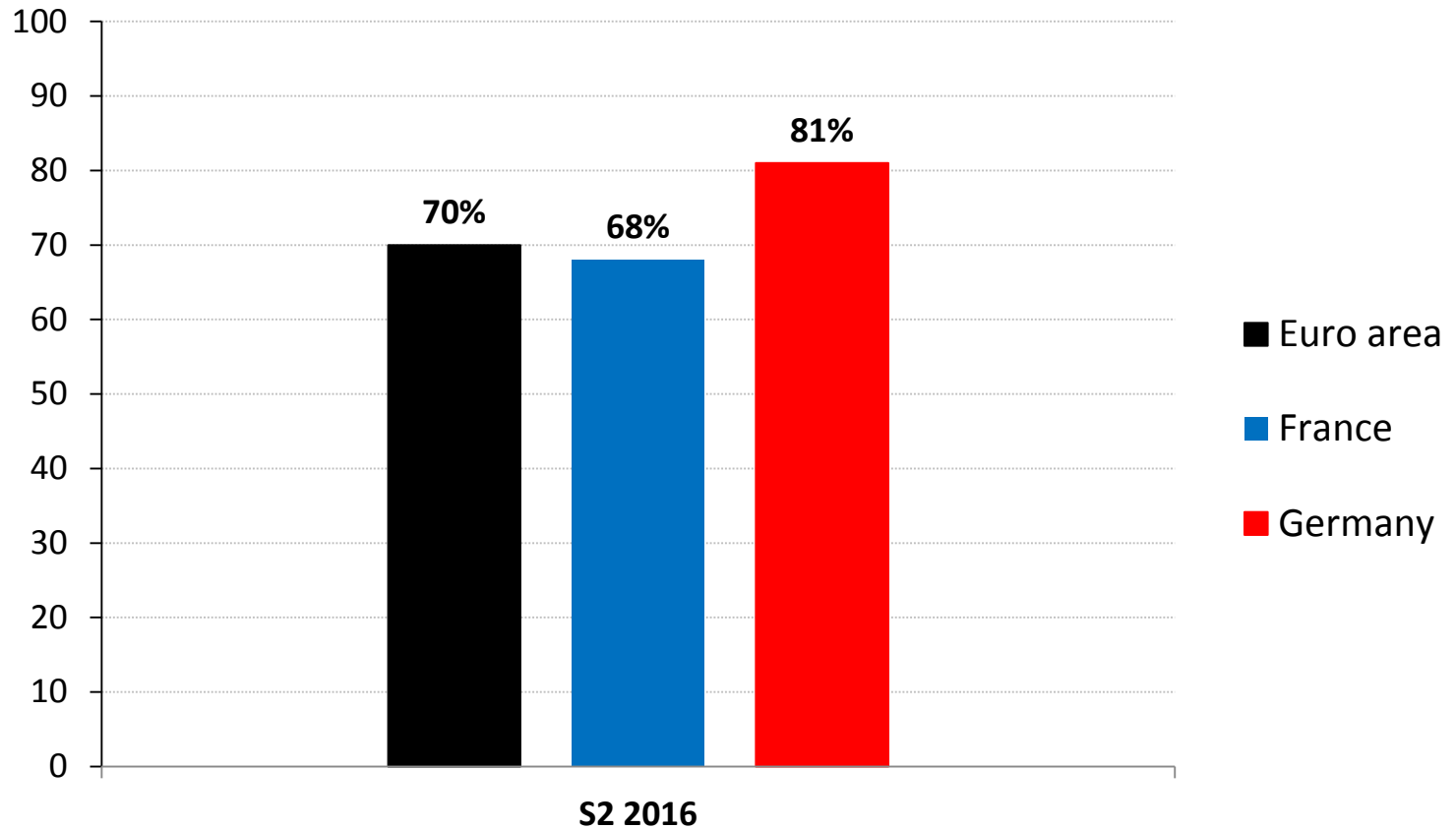
ECB MONETARY POLICY AND THE RESILIENCE OF THE EUROZONE

François Villeroy de Galhau, Governor of the Banque de France

Columbia University, 19 April 2017

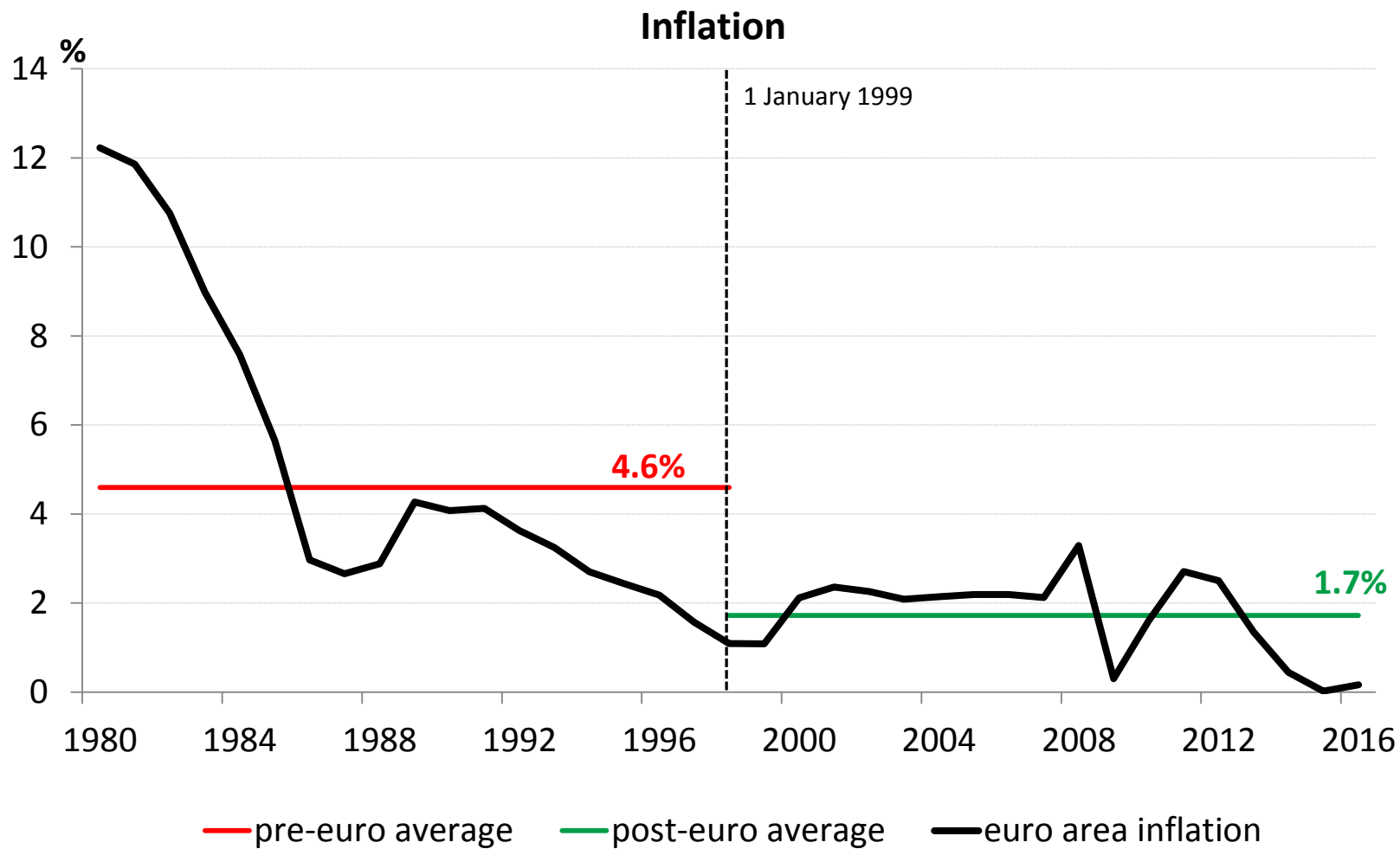


Strong support for the euro



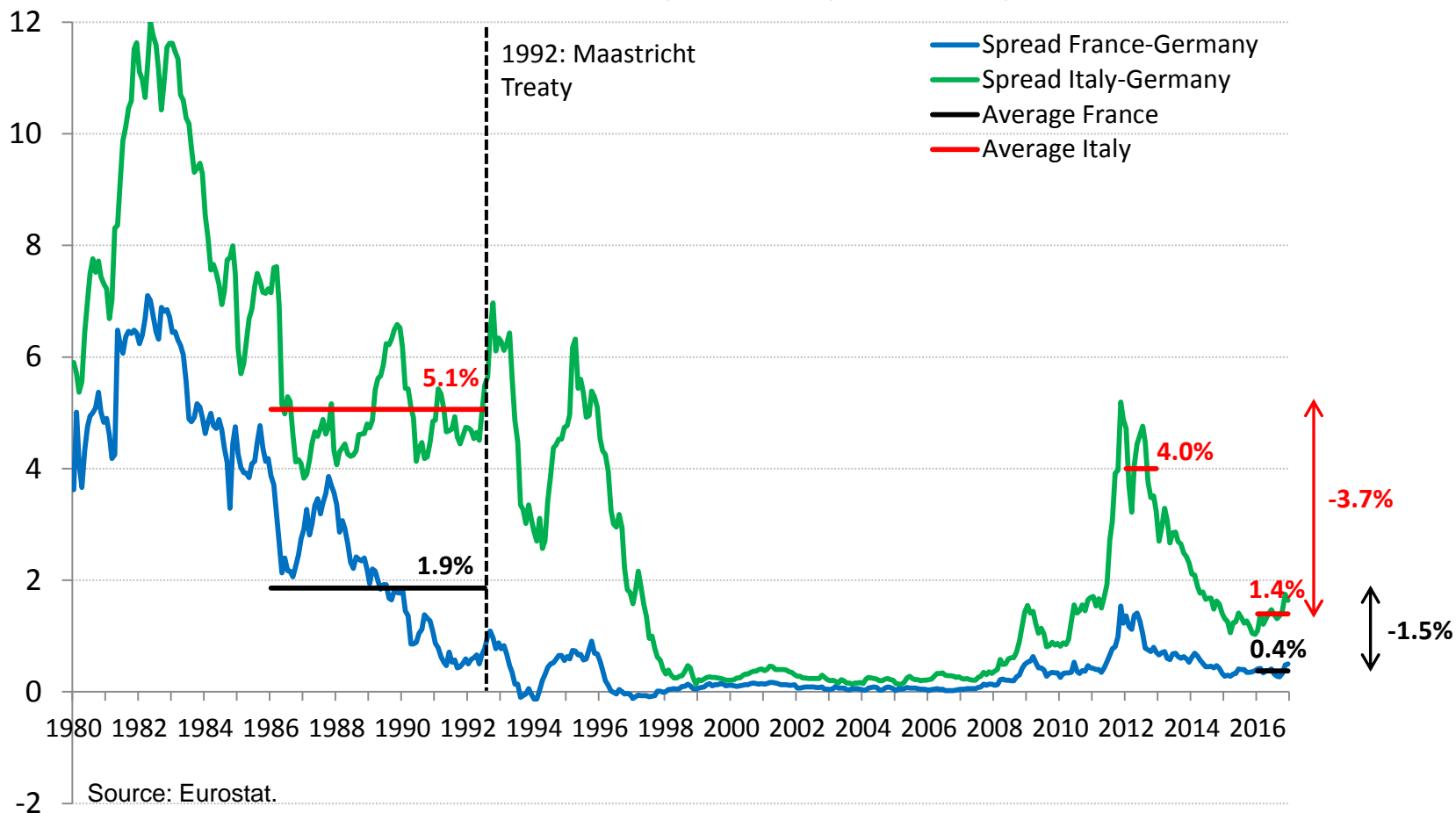
Source: European Commission, Standard Eurobarometer 86, Autumn 2016.

Benefits of the euro: better controlled inflation

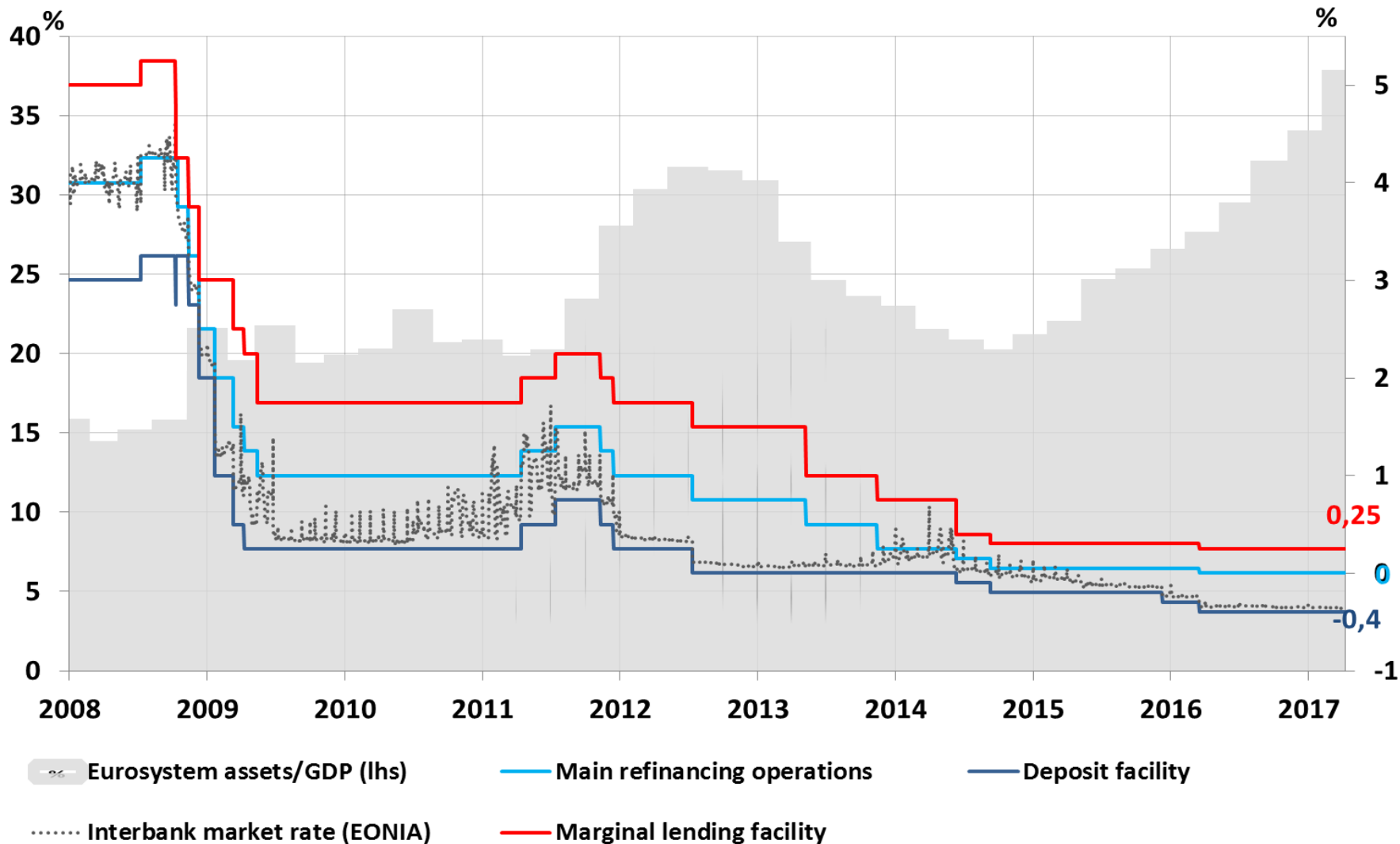


Source: ECB AWM database, INSEE

10 Y interest rate spread France-Germany and Italy-Germany

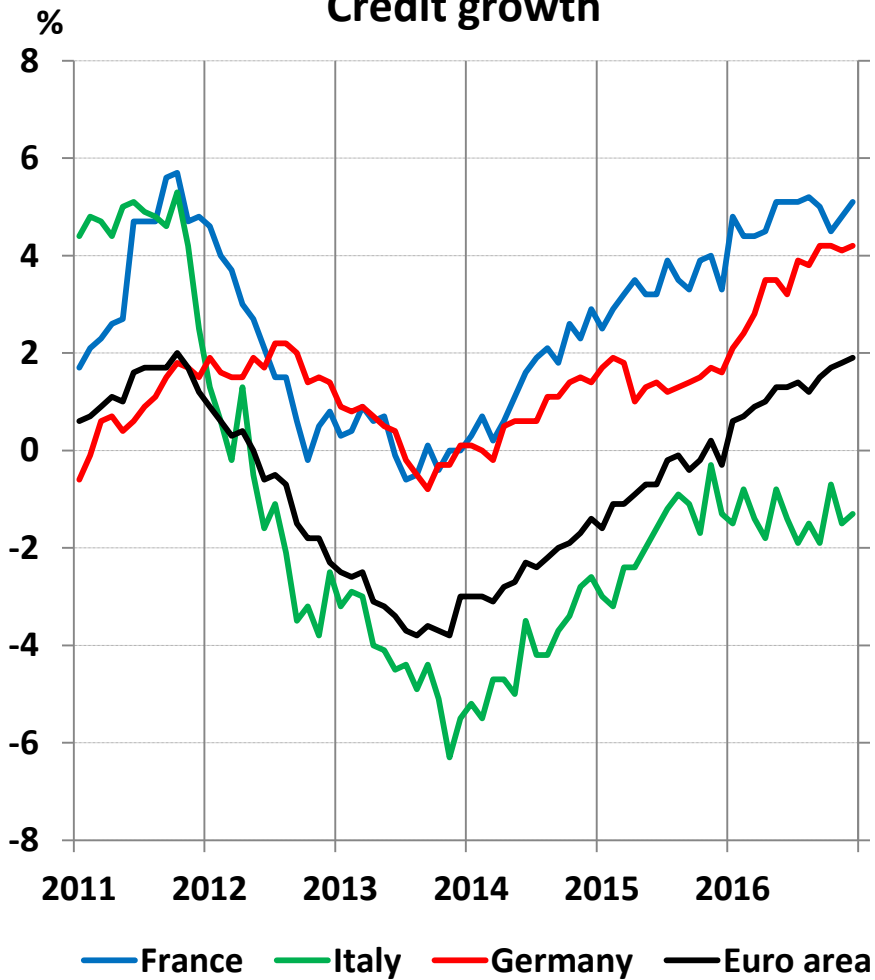


Monetary policy: successful crisis management

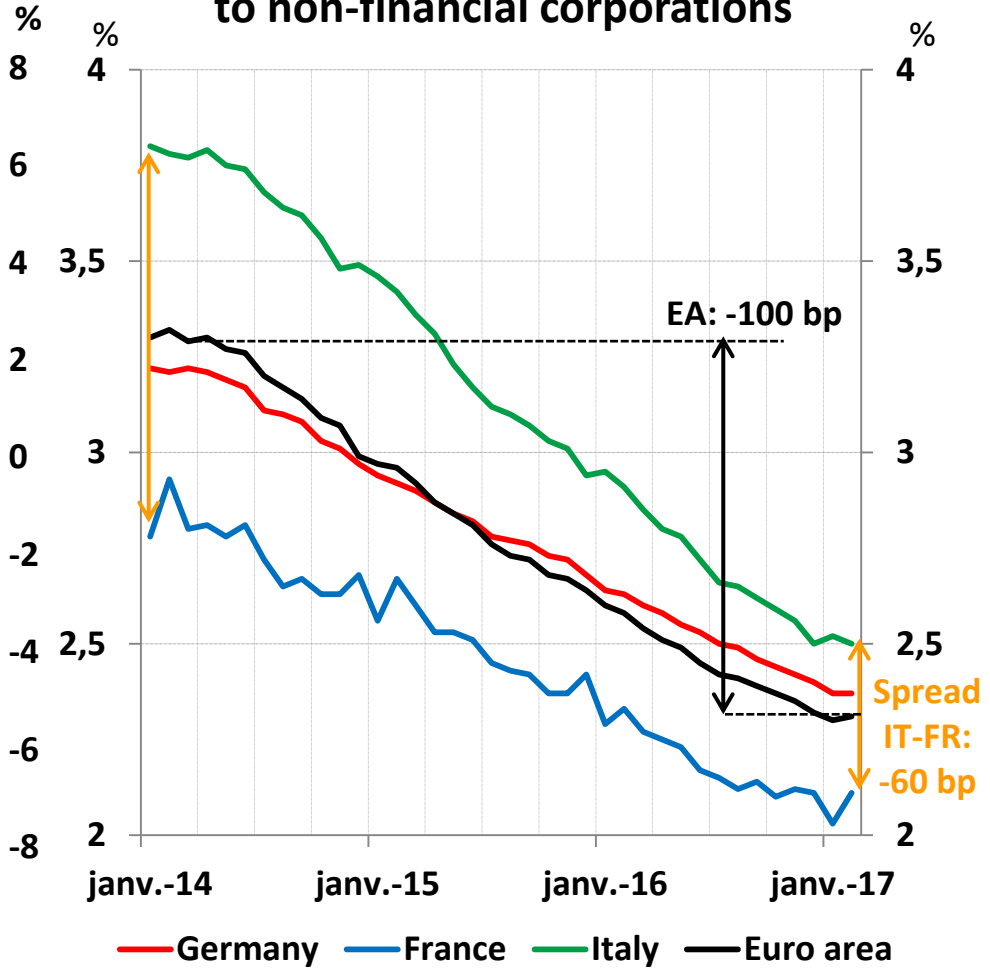


Monetary policy: financial conditions have eased

Credit growth



Interest rates on bank loans to non-financial corporations

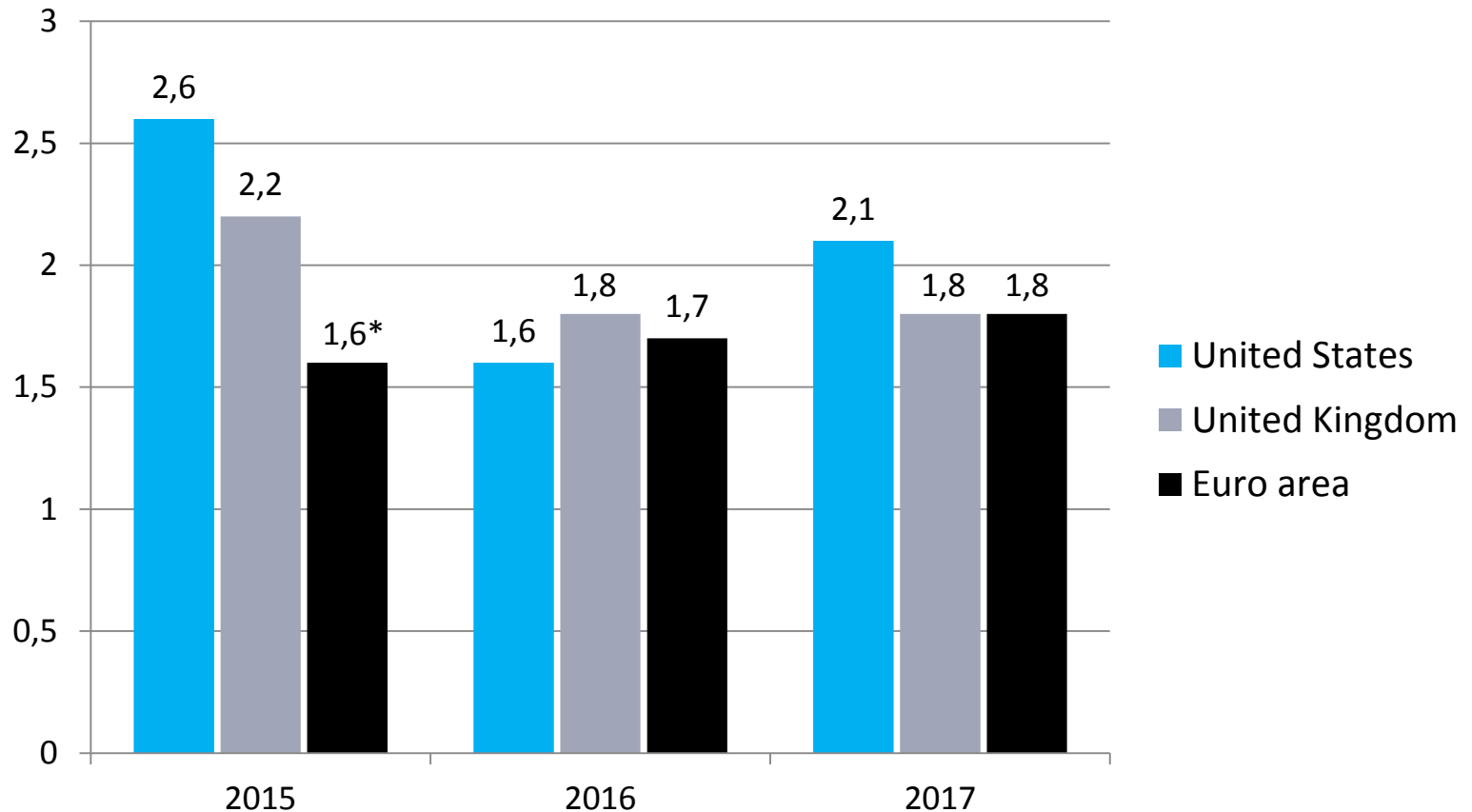


Source: ECB



Growing convergence of growth rates

GDP growth rate (%)



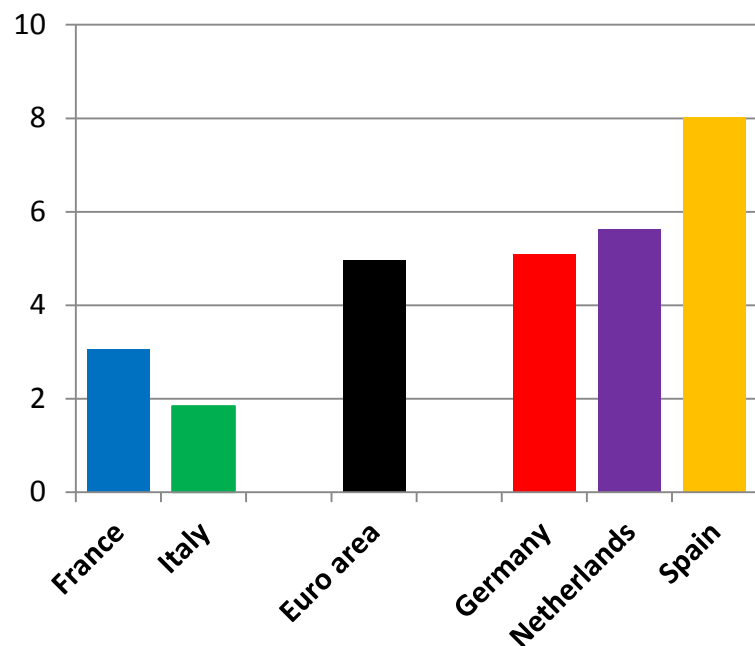
*not taking into account exceptional accounting effects for Ireland (+0.3%).

Domestic sources: National sources for the US and the UK (Bureau of Economic Analysis and Office for National Statistics); Eurostat and March 2017 ECB staff projections for the euro area.

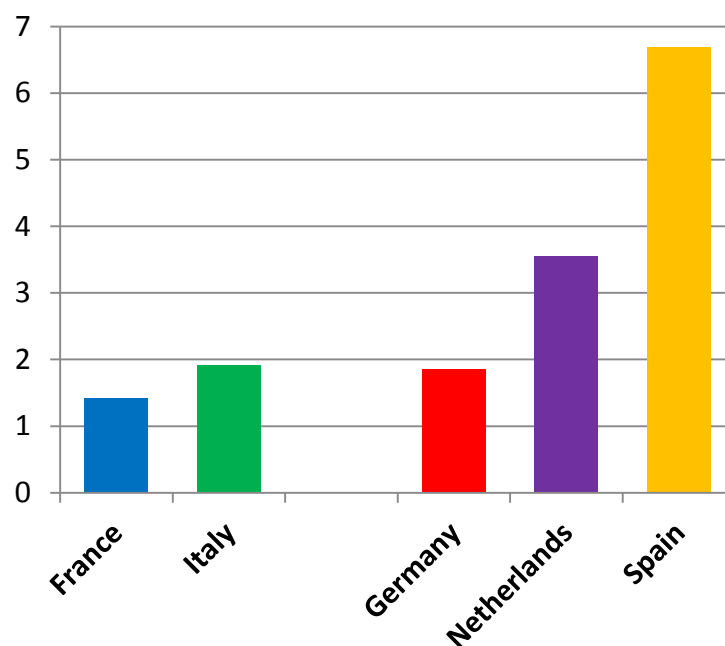
Requirements for action in Europe: domestic reforms give results

- Several euro area countries have succeeded in carrying out in-depth reforms: Germany, Netherlands, Spain,... while preserving the European social model.

**Aggregate GDP growth
2014-2016 (%)**



**Aggregate growth in market sector employment
2014-2016 (%)**



Source: Eurostat.

Requirements for action in Europe: the “growth triangle” of Economic Union

