

**Question for written answer E-000701/2023  
to the Commission**  
Rule 138  
**Viktor Uspaskich (NI)**

Subject: Rising interest rates

As from mid-2022, the European Central Bank began increasing the base interest rate, with plans to increase it further. Furthermore, in September 2022, the interest rate increase was the largest in the history of the ECB. Through these actions, the ECB is aiming to reduce inflation, because raising interest rates reduces economic activity and people's purchasing power, and this slows price increases, but it may cause a recession.

However, the increase in prices was caused by an external shock, in other words the increased prices of raw materials, grain and fertilisers, rather than internal market inefficiency. The prices of the most essential items required for subsistence such as energy resources and foodstuffs rose because of external factors.

I would also like to recall that, until this increase in prices, the economy had, for a prolonged period, been stimulated in order to reduce the effects of the COVID-19 pandemic and lockdown. Some of this money was not used effectively and was allocated to inefficient projects or simply remained within the internal market.

1. Does the Commission not think that such aggressive actions by the ECB may cause a wave of bankruptcies throughout the EU because part of the economy was boosted by economic stimulation?
2. What measures will the Commission take to reduce the impact of interest rate growth on the internal market?

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