

Question for written answer E-003577/2023
to the Commission
Rule 138
Gianna Gancia (ID)

Subject: Possible interest rate reduction

The European Central Bank (ECB) recently kept interest rates at 4 %, following 10 consecutive increases in response to the unprecedented rise in inflation in the wake of the pandemic.

Member of the ECB Executive Board Isabel Schnabel pointed to a significant fall in inflation, leading to a potential change in ECB interest rate policy, moving away from further rate hikes.

According to recent reports, euro area inflation has fallen to 2.4 %, approaching the ECB's 2 % target and raising questions about the need to continue with an aggressive rate policy.

In the light of the above:

1. What view does the Commission take of the ECB's recent monetary policy stance, taking account of Isabel Schnabel's comments and the potential implications for the economic stability of the euro area?
2. Against a backdrop of variable inflation and possible interest rate cuts, what action will it take to support the ECB's efforts to meet its inflation targets and to further economic recovery?
3. What will it do to address the challenges and opportunities arising from the current state of affairs in the euro area, in particular as regards inflation control, interest rate policies and overall financial stability?

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