

**Question for written answer Z-048/2020
to the European Central Bank**

Rule 140

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Subject: Deflationary Pressures and The ECB's Strategic Review

The newspaper 'El País' published the article 'El fantasma de la deflación cabalga de nuevo' on 29 June 2020. The article notes that in its 4 of June meeting, members of the Governing Council of the ECB warned that the risk of deflation is at its highest since 2008, an assessment backed by many views included in the article. According to the ECB, it is foreseen that HICP inflation declines from 1.2% in 2019 to 0.3% in 2020.

Despite these trends, on 13 July 2020 the Financial Times published the article 'Will the ECB end its bond purchase early?' suggesting that the ECB may conclude its emergency asset-purchase programme sooner than expected, in line with suggestions by the Dutch central bank governor Klaas Knot and other ECB policy makers. The 1.35 billion € PEPP is a welcomed initiative that should be used in full. Can the ECB confirm that it intends to use the totality of the 1.35 billion €? In view of the strategic review to be concluded in mid-2021, which other instruments is the ECB considering in order to attain the inflation aim, beyond ultralow interest rates and corporate and sovereign bonds purchases?