Question for written answer Z-048/2021

to the European Central Bank

Rule 140

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Subject: Rising inflation and future monetary policy decisions

In July 2021, the ECB formally revised its monetary strategy, changing its own inflation target to 2% over the medium term.

A few days ago, Eurostat estimated that inflation in the euro area would grow by 4.1% in 2021.

A large proportion of that increase in inflation was due to the surge in commodity prices and bottlenecks in the supply of goods.

The cost of carbon emission allowances rose by 200% in the EU in 2021.

In the statements made on 15 November, President Lagarde said that inflation would take longer to decline than had been expected in previous months.

In the light of the above, can the European Central Bank answer the following questions:

1) What monetary policy changes might be adopted were inflation to remain above 2% in the medium term?

2) Were interest rates to increase and expansionary monetary policies end, what would the ECB do to support growth across the euro area – without even mentioning the issue of the growing economic imbalances between Member States?

3) Does the ECB not consider policies to promote the green transition and discourage CO₂ emissions to be among the main causes of rising energy costs and as having a structural impact by fuelling consumer price increases?