

## **Benoît Cœuré: Interview in Le Progrès de Lyon and EBRA newspaper group**

Interview with Mr Benoît Cœuré, Member of the Executive Board of the European Central Bank, conducted by Mr Frank Viart of Le Progrès de Lyon and published by EBRA newspaper group (L'Alsace, Les Dernières Nouvelles d'Alsace, Le Républicain Lorrain, L'Est Républicain, Vosges Matin, Le Bien Public, Le Journal de Saône-et-Loire, Le Progrès de Lyon, Le Dauphiné Libéré and Vaucluse Matin) on 11 November 2016.

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### **Seen from Frankfurt, what is your reaction to the election of Donald Trump?**

It is certainly a major event. It is not for the ECB to assess the political consequences. But it holds a lesson for Europe: in a world where shocks are increasing, Europe must keep control of its destiny. For Europe to be strong in terms of defence and security, it must have a strong economy. And for the economy to be strong, reforms are needed in every country and the euro area must function better.

### **Could the ECB's monetary policy decision in December be influenced by this election result?**

It is too early to say. In the short term we are closely monitoring the reaction of the financial markets. Excessive volatility must be avoided. Looking ahead, we will assess the consequences of Mr Trump's election for the global economy and for the euro area. The recovery in the euro area is strengthening. This was visible following the UK referendum.

### **In France, interest rates are historically low. Can this persist in the long term?**

The ECB's monetary policy will remain very accommodative until inflation is firmly on a path towards 2%. What other reasons are there, beyond the ECB's decisions, for interest rates being so low? It is because growth is still weak. It is because our economies are less able than in the past to create growth. The ECB must take account of this environment and, to provide effective support to the recovery, we must set our key interest rates at very low or even negative levels. If the European economy regains the ability to sustainably create growth, interest rates will return to levels more favourable to savings.

### **How do you account for the fact that economic growth has remained low in France in 2016?**

The pace of economic growth is accelerating throughout the euro area and the unemployment rate is falling, including in France, but at a slightly slower pace. The ECB's monetary policy has made a strong contribution and the reforms implemented in each country have played a role. The countries that were severely affected by the financial crisis have had to undertake reforms. The reforms that they have implemented, particularly in the labour market, have been hard but are now bearing fruit. In Spain, for example, growth is set to be above 3% in 2016 and the unemployment rate is falling rapidly. France, which weathered the crisis better, faced less pressure to undertake reforms. Today growth in France is weaker and unemployment is higher. This illustrates the importance of further reforms.