

24.02.2017

The Mediterranean economies in a changing world. Lessons learned in economic and financial instability: what scenarios can we envisage?

IEMED Conference/Barcelona

Luis M. Linde
Governor

Good morning ladies and gentlemen. It is for me a great pleasure to make the opening remarks in this conference organised by IEMED, to discuss economic and financial matters in the Mediterranean region. The two previous conferences took place in Barcelona, in October 2014, and in Rabat, in November 2015, and were very successful as, I am sure, it will be the case again this time.

The idea behind these conferences is to provide a forum in which different parties from Mediterranean countries interested in exchanging ideas on monetary, economic and financial matters in the region --central banks, public officials, representatives of the private sector and international organisations- can do so in a friendly and forthcoming environment. I think the diversity of participants, with presence of some central banks, is one of the clues for the success and the continuity of this initiative.

For the “Introductory session” we are joined by leading representatives of three multilateral organisations with an important involvement in the region. The Union for the Mediterranean gathers together the countries at both shores of this sea; it is always of the highest interest to listen to his Secretary General, Mr. Fathallah Sijilmassi. The European Investment Bank has made in recent years a huge effort to increase its activities, financing and support in the South and East Mediterranean countries; we have today the presence of its Vice President, Mr. Román Escolano. Finally, the OECD, one of the leading institutions in economic analysis and policy advice, represented by former Portuguese Minister of Finance, Mr. Alvaro Pereira.

With their presence the session devoted to the discussion of “the role of central banks at present and of monetary and exchange rates policies in Mediterranean countries” promises to be of a great interest. In 2015, in Rabat, we had the opportunity to benefit from the support and hospitality of Bank Al-Maghrib, and this year we are again privileged by the presence of Governor Al-Jouahri. It is also a great honour to have here today the Governor of the central bank of Malta, my colleague at ECB Governing Council, Mr Mario Vella, and the former Governor from the central bank of Tunisia, Mr. Mustapha Kamel Nabli.

The following sessions of the Conference deal with two topics of fundamental importance for the region: the need of structural reforms to enhance the business climate and improve productivity and the most adequate fiscal policy to be adopted in the present context. Finally, the economic scenarios that the region can be confronted to within the next few years, will be analysed in the last session.

The title of the Conference is “Lessons learned in economic and financial instability”. Indeed, over the last decade the world, and the Mediterranean region, have been confronted with a very important and serious unexpected political, economic and financial events. After the Financial Crisis exploded in 2008 a profound feeling of vulnerability and lack of confidence spread globally, not the less in Europe, shaken also by a sovereign debt crisis. In the South and East Mediterranean countries instability in the last few years has had mainly a political origin but its effects in terms of economic uncertainty and increased fragility have been huge.

This challenging environment has led to a rethinking of the way we design and implement economic policies, be it in the monetary, financial or fiscal fronts, and also to a renewed emphasis on enhancing the stability and the resilience of the economies, as well as on reducing their vulnerabilities. Stability and certainty are probably the main attributes with

which economic policy can contribute to economic prosperity. But I am sure that the participants in the different sessions of the Conference will elaborate more on this topic on *lessons learned* and will enlighten us with their ideas on the economic policies needed to attain a better economic future in our Region.

Ladies and gentlemen, I leave the floor to the Executive President of IEMED, Mr. Senén Florensa, congratulating him for the organisation of this event and of course thanking you all for your presence here today.