

## Haruhiko Kuroda: The virtues of international cooperation among central banks

Remarks by Mr Haruhiko Kuroda, Governor of the Bank of Japan, at a reception to celebrate the 30th anniversary of the Bundesbank's Representative Office, Tokyo, 22 May 2017.

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Good evening, Ladies and Gentlemen.

It is a great honor to be invited to this reception celebrating the 30th anniversary of the Deutsche Bundesbank in Tokyo. I would like to extend my sincere congratulations to Dr. Dombret, Executive Board Member of the Bundesbank, Ms. Moede, Representative of the Tokyo office, and other staff members of the Bundesbank.

Throughout these 30 years, the Bundesbank has positioned its Tokyo office as the hub for its activities in Asia, and has shown its strong commitment to Japan. I would like to highlight in particular, the expansion of the functions of the Tokyo office with the establishment of a trading office in 2012, just one year after the tragic Great East Japan Earthquake.

Looking around at all the faces gathered here to celebrate this anniversary event, I must commend the Bundesbank Tokyo office on their great success in establishing a deep and extensive network in the local community.

Over the past 30 years, there have been significant advancements in the global economy. The growth rate of trade volume, which until the 1980s followed a similar rate to real GDP, significantly outpaced real GDP from the 1990s to the mid-2000s. One of the contributing factors was the expansion of global value chains from the late 1980s with the end of the Cold War, when large amounts of direct investment began to flow into countries of the Eastern bloc, such as China, the member states of the former Soviet Union, and Eastern Europe, as they entered into the global economy. Both Germany and Japan played pivotal roles in this new wave of globalization.

The advancement of globalization over the years has brought about stronger relationships among countries and regions, both economically and financially. On the other side of the picture, as evident in the case of the Asian currency crisis 20 years ago or the global financial crisis that erupted 10 years ago, negative shocks are more likely to transcend national borders.

In this situation, international cooperation among central banks has become ever more important. In terms of the relationship between Germany and Japan, the Bank of Japan established a representative office in Frankfurt in 1956. Making the most of the representative offices in each other's countries, the Deutsche Bundesbank and the Bank of Japan have always enjoyed the timely, candid, and fruitful exchange of information and views, notwithstanding the geographical distance between the two countries.

Dr. Dombret, who is with us today, is the Executive Director for International Relations. Tonight, I want to mention another of his many important roles, as "Head of the Money Museum." The Deutsche Bundesbank refurbished its Money Museum last December. Unfortunately, I have not yet had the chance to visit the museum myself, but according to our staff at our representative office in Frankfurt, the new Museum offers a number of innovative displays that captivate visitors. They have told me that the displays show the Bundesbank's deep-rooted belief that "Geld ist Vertrauenssache," or "money is a matter of trust," in other words, its strong commitment to price stability.

The environment surrounding central banks is forever changing. Nevertheless, one thing I am sure will never change is that our two banks will continue to work closely together to fulfil our

common mission of achieving price stability.

I would like to close my remarks with the heartfelt wish for continued friendship and cooperation between the Deutsche Bundesbank and the Bank of Japan, as well as between Germany and Japan. Thank you for your kind attention.