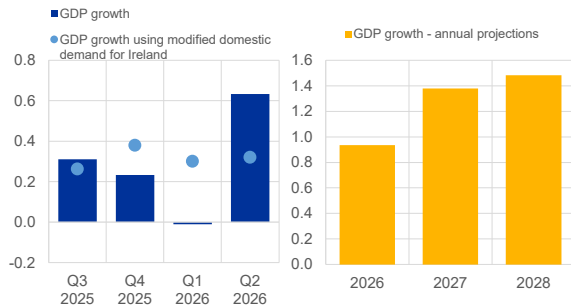


Introductory statement in three charts

ECON hearing with the ECB President on 28 September 2026

Growth

(left panel: quarter-on-quarter percentage changes; right panel: annual percentage changes)



Sources: Eurostat and September 2026 ECB staff macroeconomic projections.
Notes: The latest observation for real GDP is for the second quarter of 2026. "Modified Domestic Demand" for Ireland excludes large transactions of multinational companies that do not have a big impact on the domestic economy. For more information on this measure, see the [website of the Central Statistics Office of Ireland](#).

Activity

The euro area economy has proven resilient, despite headwinds from the energy shock.

- The economy proved resilient in the second quarter of 2026, supported by private consumption, government spending on defence and infrastructure and net exports.
- This resilience is expected to continue into the third quarter.

Real GDP is projected to grow by 0.9% in 2026, 1.4% in 2027 and 1.5% in 2028.

Inflation

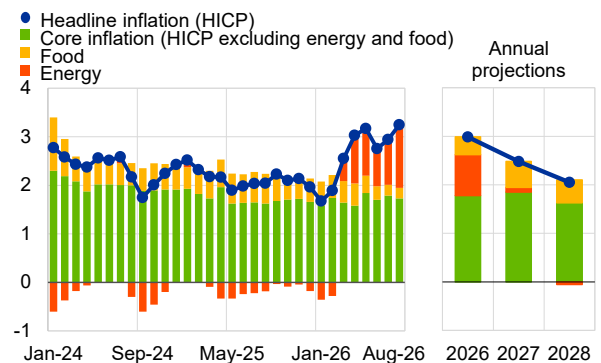
The conflict in the Middle East is pushing up inflation, with energy inflation having risen further.

- Inflation in August rose to 3.2% from 2.9% in July.
- Energy inflation rose to 14.3% in August, after 10.3% in July, while food inflation decreased from 1.2% to 1.1%.
- This increase reflects, in particular, a strong contribution from refining margins on liquid fuels, as well as higher energy commodity prices.
- Inflation excluding energy and food edged down to 2.4% in August, from 2.5% in July.

Inflation is projected to average 3.0% in 2026, 2.5% in 2027 and 2.1% in 2028.

Inflation

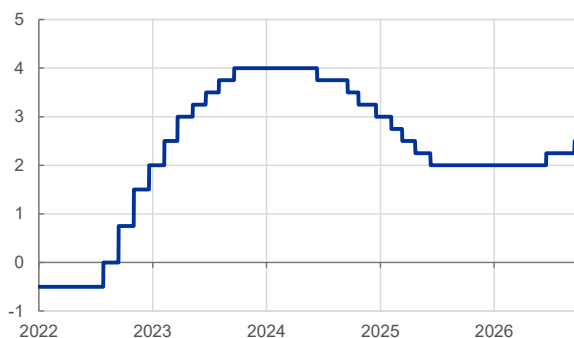
(annual percentage changes; percentage point contributions)



Sources: Eurostat and September 2026 ECB staff macroeconomic projections.
Notes: The latest observations are for August 2026.

Deposit facility rate

(percentages)



Source: ECB.
Note: The latest observation is for 28 September 2026.

Topic 1: Monetary policy stance

The ECB raised its interest rates by 25 basis points in September.

- This decision ensures that inflation stabilises at our 2% medium-term target.
- We do not react to energy prices themselves, but to risks that higher energy prices become embedded in inflation, assessed through three criteria: the inflation outlook, underlying inflation dynamics, and monetary policy transmission.
- We see higher inflation ahead but no signs yet that it is becoming embedded; the shock is too large to look through, but a measured response is appropriate to keep inflation in check.

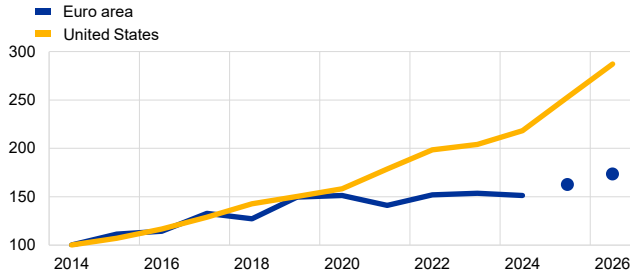
WANT TO KNOW MORE?

- [Monetary Policy Statement](#), ECB Press Conference, 10 September 2026.
- [ECB staff macroeconomic projections for the euro area](#), 10 September 2026.

Topic 2: Artificial intelligence

Digital business investment proxy

(index: 2014 = 100)



Sources: Eurostat, US Bureau of Economic Analysis, ECB, and ECB staff calculations.

Notes: Digital investment proxy, extended by Digital output proxy (as in blue dots for euro area), as in Andersson, M. et al. (2026), "From bricks to clicks: an assessment of euro area digital investment", *Economic Bulletin*, Issue 2, ECB. The latest observations are for the second quarter of 2026 for US data, June 2026 for digital services production data and 2024 for other data.

Unlocking the full potential of AI for productivity requires considerable investment.

- Digital investment by firms has expanded strongly but continues to lag behind the United States.
- Survey evidence suggests considerable euro area investment is in the pipeline, with firms expecting to devote around 10% of total investment in 2026 to AI.
- Investment is needed in infrastructure and energy supply.

AI will change both the tasks people perform and the skills firms need.

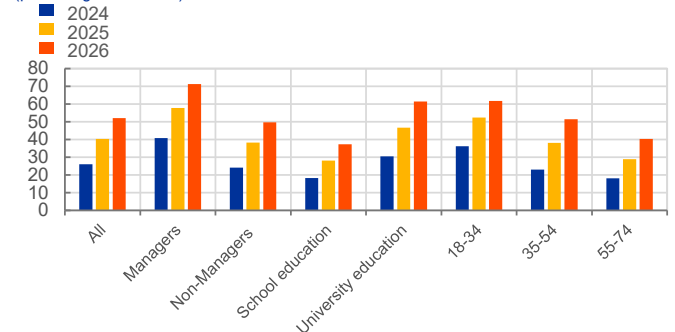
- So far, on balance, firms are continuing to hire.
- Over 50% of euro area workers report using AI in their job.

How the gains from AI are distributed will matter for economic activity and inflation.

- The central question is whether – over the longer term and for the economy as a whole – AI will mainly complement workers or replace them.
- If AI replaces labour, demand could decline.
- If AI complements labour, it could raise incomes across large parts of society, supporting demand.

AI use by groups

(percentage of workers)



Source: ECB Consumer Expectations Survey.

Notes: The chart shows the share of employed workers reporting the use of AI in their work. The survey question was "Do you personally use artificial intelligence (AI) in your work (including tools such as ChatGPT, Claude, Gemini, etc.)?".

What will it take for Europe to capture the AI growth opportunity while also ensuring sovereignty?

Urgent action is needed on three fronts:

- **Enable innovation in AI** by reducing Single Market and capital market fragmentation and accelerating the energy transition.
 - AI factories, testing facilities and regulatory sandboxes can also help ideas move faster to commercial use.
- **Build greater independence** to ensure critical functions can operate, and maintain a foothold in the value chain.
 - Building European capacity also ensures we can use European tech for sensitive activities.
- **Deploy AI intensively** and broadly, in areas with the greatest economic pay-off.
 - The Apply AI Strategy and forthcoming Commission initiatives on industrial AI can support adoption.

WANT TO KNOW MORE?

- [A new age of capital: growth, sovereignty and AI](#), speech, 14 September 2026.
- [Artificial Intelligence: friend or foe for hiring in Europe today?](#), The ECB Blog, 4 March 2026.
- [From bricks to clicks: an assessment of euro area digital investment](#), *Economic Bulletin*, Issue 2, ECB, 2026.