

John Hurley: Schools' information pack on price stability

Speech by Mr John Hurley, Governor of the Central Bank and Financial Services Authority of Ireland, at the launch of the schools' information pack on Price Stability, Dublin, 24 January 2006.

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A Aire agus a dhaoine uaisle. Dia dhíbh go léir agus céad míle fáilte romhaibh go dtí an Banc Ceannais.

Minister, President of the Business Studies Teachers Association and guests, you are all very welcome to the Central Bank. I am delighted that you could be with us today as we launch this new schools' information pack, **Price Stability: Why is it important to you**. I am particularly happy to also welcome the students and their teachers today from Marian college, St. Mary's CBS, St. Vincent's Secondary School, Scoil Caitríona and St. Mary's College. They have come from various parts of the country to be with us today. I hope you're not missing too many important classes as a result!

Developed by the European Central Bank and the 12 national central banks of the euro area, including, of course, our own Central Bank, this is a unique initiative. For the first time, the central banks of the euro area have produced a single cross-border education pack. It is being distributed to 50,000 secondary schools, not only in Ireland, but throughout the 12 countries that share the euro as their currency.

I would like to say at the outset that I am delighted that the Central Bank has an opportunity to be involved in this way with the education of Irish students on issues which are relevant in all our lives. While setting monetary policy and ensuring price stability may not seem on the surface to be one the most interesting of topics for young adults, I can assure you that it has a significant impact on the lives of each and every one of the 300 million people of the euro area. This information pack, I hope, helps to make it a little more interesting than you might expect and maybe even a little bit enjoyable, if that is possible!

Now, I'm sure that many young students will probably think, "well, price stability is not actually that important to me..." But in fact, stable prices and low inflation are a guarantee that your pocket money or savings from your summer or weekend jobs can buy you the things you want throughout the year. Stable prices also help promote economic growth and employment in a country. It is easier to compare prices, so you as a consumer can make better decisions on how to spend your money. In the same way, companies can also make informed investment decisions – resources can then be allocated in the most productive way and the productive potential of the economy will increase. Price stability is also key to social stability. In an inflationary environment, prices tend to change in an unpredictable way and the value of people's savings may fall. Typically, the poorest groups in society often suffer most from inflation as they have only limited possibilities to protect themselves. Throughout history, high rates of inflation, or deflation, have often created social instability.

The pack consists of an animated video, leaflets for students and a more detailed booklet for teachers. It has been designed to be user friendly and easy to understand and we sincerely hope it will be a useful aid to those students and their teachers.

I would like to thank all those here who were involved with the project. In particular, we are very grateful to Caroline McHale and the Business Studies Teachers Association of Ireland for their involvement in developing this pack. I would also like to thank Norah Martyn from Marian College who, along with the students from her school, provided valuable guidance and knowledge during the development of this at a European level. We were very happy that an Irish teacher and school were so directly involved in the development of this pack and I am delighted that Norah could be with us today to see the final product.

Minister, I am very grateful for your own support in launching this with us. I would like to express my thanks to you and to the Department of Education and Science for this support, not only today but also during the development of this information pack. This has been very important to us and to this project.

Tá an-áthas orm go raibh baint ag an mBanc Ceannais le hullmhú an leagain Ghaeilge den phacáiste eolais. Ba chóir dom a rá libh freisin go bhfuil sé ar fáil i ngach ceann de theangacha oifigiúla an Aontais Eorpaigh.