

Andreas Dombret: In the heart of Europe – Europe in our hearts

Welcoming address by Dr Andreas Dombret, Member of the Executive Board of the Deutsche Bundesbank, to mark the unveiling of the plaque listing patrons for the euro sign, Frankfurt am Main, 4 February 2016.

* * *

1. Introduction

Ladies and gentlemen

I am extremely pleased that you are joining me in celebrating a very special occasion today – the unveiling of the plaque listing patrons of the euro sculpture.

When you think of Frankfurt, what comes to mind? Perhaps the city's famous historical landmarks, such as the Römer (city hall) or St. Paul's? Or the skyline, featuring its many skyscrapers? Football fans may think of Attila, the eagle, worn proudly on players' shirts of Eintracht Frankfurt. You might also think of Goethe, the Old Opera House, the Main river, Germany's largest airport, and so on. All this is Frankfurt; our city is veritably full of world-renowned landmarks.

However, I'm sure that quite a few of us also have in our mind's eye the euro sculpture, which has graced the Willy-Brandt-Platz square between the opera house and the Eurotower since the euro was launched – and is thus located right in the heart this city. Much as Frankfurt itself is located in the geographic heart of Europe.

2. In the heart of Europe

For nearly 15 years, the euro sculpture stood guard before the European Central Bank, making it clear to all visitors that they were standing at the heart of Europe. The sculpture has certainly seen a great deal in that time. When its lights came on for the first time in 2001, the euro area comprised only 12 member states; the number has now risen to a total of 19. The average forex trading volume that changed hands every day between traders round the world amounted to some €450 billion in 2001; it now stands at €1.7 trillion according to the latest available figures. The euro is undoubtedly the world's second most important currency after the US dollar.

Yet it has not always been smooth sailing. We all remember the sometimes dramatic events in connection with the recent financial crisis, which dealt a significant blow to the euro area and, in some cases, raised massive doubts about the continued existence of our single currency. It was not least these events which also led to the activists of the Occupy movement, in 2011, pitching camp in the shadow of the euro sculpture, where they held out for more than a year – even as their political message was fading into the background as time passed by.

However, that is all history now. The euro area has returned to stability, even though we cannot yet say with certainty that the crisis has been entirely overcome. The ECB has long since taken up residence in Frankfurt's Ostend district, and the last traces of the Occupy activists have been gone for quite a while. And yet it is right that the euro sculpture will be marking the centre of our monetary union, now and in the future. For, after all, the monetary union no longer rests solely on monetary policy.

Around one and a half years ago, the Single Supervisory Mechanism (SSM) for Europe's banks was launched, heralding a key step towards the completion of this monetary union. You see, the financial crisis exposed the weaknesses of our existing framework. One such weakness was the tendency of national supervisors to train their sights primarily on the institutions based in their own jurisdiction, meaning that risk that spilled over to other countries sometimes went undetected until it was too late. The SSM is addressing this

problem by taking an explicitly European approach and comparing banks from different countries, for example. In addition, the SSM prevents banks in different countries from being supervised with varying degrees of strictness because, for instance, national supervisory regimes are too heavily influenced by national interests.

This means that the SSM is, in many ways, impressive. One aspect sets it apart from everything else, however. Never before have sovereign states merged their banking supervisory functions in an independent agency. Our experience of the first year of SSM has been quite positive – especially if one stops to think of the magnitude of this project and how short the preparation time was prior to getting the SSM actually up and running. There is room for improvement in some areas, of course, but the SSM has already earned the respect of the institutions it supervises today.

Our SSM colleagues are sitting today in the Japan Center, not far from here, and in future will be supervising the euro area's largest banks from the Eurotower – where, every day, the euro sculpture will make it clear to them what they are working for: a stable euro area, home to some 340 million people.

3. Europe in our hearts

Hans-Dietrich Genscher once said that “Europe is our future, we have no other.” Europe belongs to Frankfurt like almost no other city, apart from Brussels and Strasbourg. The euro sculpture has taken its place alongside the ECB, the SSM, EIOPA and also the Bundesbank as an expression of this belonging. Thanks to your support, the sculpture is now shining again in due splendour. I personally wish to thank all of you very sincerely – and I firmly believe that, in expressing my gratitude, I also speak for many of Frankfurt's residents as well as its innumerable international visitors. It remains to be hoped that Europe, too, will shine in future with the same lustre as the restored euro sculpture. Let us all do what we can to achieve this goal going forward.

Thank you very much.