

Boštjan Vasle: Bank of Slovenia's 30th anniversary

Address by Mr Boštjan Vasle, Governor of Banka Slovenije, at the celebration of Bank of Slovenia's 30th anniversary, Ljubljana, 7 October 2021.

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Mr President,

Honourable Guests,

Ladies and Gentlemen,

It is a great honour and pleasure to be able to welcome you to the celebration of our anniversary in this house, so full of milestones in our recent history and culture.

Thirty years ago, the day that Slovenia declared independence also saw the birth of Banka Slovenije, the central bank of the newly established state, and a cornerstone of Slovenian sovereignty. Since that June day it has been our mission to ensure price stability, thereby helping to create the conditions for Slovenia to develop and for the wellbeing of its citizens.

Anniversaries are a time for reflecting on what good was done in the past, what we can learn from it, and how best to set out the path moving forward. Usually away from the media spotlight, Banka Slovenije has so far made a significant and lasting contribution on the path to Slovenia's stability and progress.

In its very first year it introduced payment notes and then the tolar as the first official currency of independent Slovenia. Soon after Slovenia became a full member of the IMF and the World Bank, with whom we continue to work closely today. After a decade of sustained improvement in the stability of the currency, in 2002 Banka Slovenije was granted the additional power of overseeing the legality and proper functioning of payment systems in the country. Two years later, when Slovenia joined the EU, Banka Slovenije also became a member of the European System of Central Banks, and put itself on the pathway for joining the euro by joining the ERM II system. Slovenia eventually succeeded in becoming the first of the ten new EU Member States to join the euro, at the beginning of 2007. Coins featuring Prešeren, Trubar and Triglav, to name just a few designs, have since been faithful ambassadors for our country, our culture and our way of life, and together with other European symbols have been a valued currency around the world.

After Slovenia joined the euro area – which then enjoyed and still to this day enjoys one of the highest levels of public support in the entire monetary union – the series of historical milestones was followed by a time of economic and financial crisis, which in Slovenia was reflected most evidently in problems in the banking system. These revealed not only the weaknesses in our own banking and economic model, but also in the architecture of the euro area.

At Banka Slovenije, and moreover throughout the European union, we took advantage of the crisis to build up our policies. Supervision of the banking system became more

unified, and conducted on the same principles across the entire euro area. Banking supervision policy became part of the common interest, similarly to what monetary policy had been from the very outset. Financial stability in general is getting more and more attention, and like the majority of central banks, Banka Slovenije has assumed a leading role in maintaining the stability of the financial system. The dialogue at EU and euro area level was formalised with new institutions, and it soon became self-evident that Banka Slovenije, and with it Slovenia, was a full and equal partner in this process.

Ladies and Gentlemen,

As the watchful guardian of the value of your money, for almost a decade and a half Banka Slovenije has helped to shape euro area monetary policy as part of the Eurosystem, and has provided for a stable and stimulating environment for more than 340 million citizens to live and work in. In our mission we consistently uphold the principles of professionalism, accountability and transparency. We are well aware that trust as a fundamental value of an institution can only be earned through the consistency and diligence of its actions.

We are therefore proud to have been a major factor in seeing support for the EMU and the euro as our single currency rise in recent years. Over the last five years Slovenia has always been in the top three countries for public support for the euro. Moreover, that more than 90% of Slovenes are in favour of the euro shows that the single currency is something that binds us most strongly as citizens.

The months ahead will be a period of intense challenges, for Slovenia and for Europe as a whole, and also at the global level. The most obvious is the health crisis, where we will have to make further adjustments to living under the threat of the epidemic.

Next comes the economic challenge, when after the period of large-scale measures comes to an end we will face the question of what the new reality is. The ECB and Banka Slovenije put a number of major measures in place at the very outbreak of the crisis to mitigate its impact, while in recent months we have embarked on the recovery and resilience process. Formulating an exit strategy that balances recovery with the burden that our economies can still withstand is the key economic challenge of the months ahead.

Not least, a major challenge to central banks comes from global changes, of which we are increasingly aware. Society is changing, rapid technological development is transforming our economies, and environmental changes are altering the landscape in which we live. All of these changes are profoundly shifting the conditions in which central banks operate, bringing them increasingly to the fore in our deliberations and actions. At the same time these are questions to which the public expects clearer answers, even from us central bankers, which should further motivate us to face the issues.

However, great challenges also bring great opportunities, to become better, and more accountable: to people, to nature and, after all, also to money. We cannot become captives of time, when people "know the price of everything, and the value of nothing", as Oscar Wilde wrote 130 years ago.

Ladies and Gentlemen,

Allow me to mark this anniversary – as we celebrate 30 years of our work – by expressing my particular thanks to all of our current and past colleagues. That Banka Slovenije has always succeeded in attracting professionals with great expertise and commitment over the last three decades is one of the main reasons that we can be so proud of our institution today, and of the work we have done in that time. This exceptional human capital is at the same time a guarantee that we will be able to continue carrying out the tasks entrusted to us, with consistency.

Happy birthday Banka Slovenije!