



OESTERREICHISCHE NATIONALBANK

EUROSYSTEM

Ten Years of the Euro in Slovakia - Macroeconomic Perception of Euro Area Membership

Bratislava, 11 January 2019

Ewald Nowotny

Governor, Oesterreichische Nationalbank

www.oenb.at



Growth and inflation in Slovakia, the Czech Republic and Austria

Real GDP

year-on-year in %



Source: Eurostat.

HICP

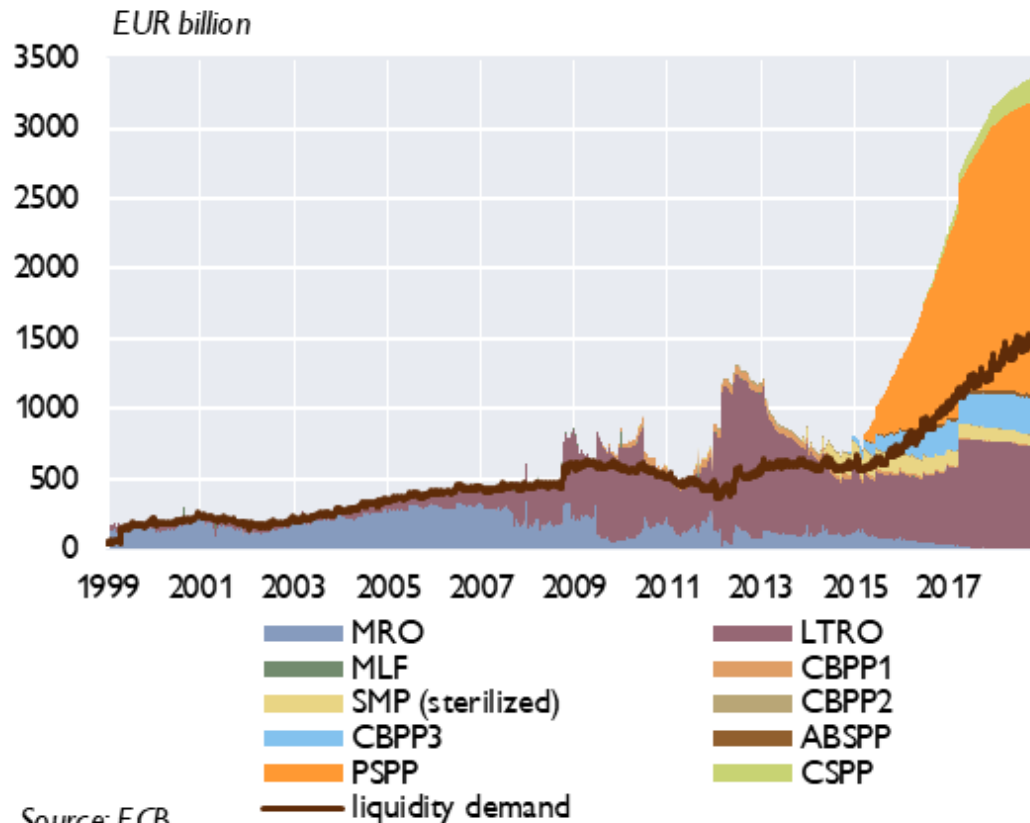
year-on-year in %



Source: Eurostat.

Most recent monetary policy decisions by the ECB Governing Council

Monetary policy operations of the Eurosystem



- In the last few years, monetary policy has created EUR 3,400 billion in central bank liquidity:
 - With EUR 2,600 billion, the expanded asset purchase programme (APP) accounts for the lion's share of this volume.
 - The targeted longer-term refinancing operations (TLTROs) are contributing EUR 700 billion.
- In December 2018, the Eurosystem is buying another EUR 15 billion of assets under the APP.
- In 2019, no new assets will be bought.
- Reinvestments will continue for an extended period of time past the date when the ECB starts raising its key interest rates, and in any case for as long as necessary to maintain favorable liquidity conditions and an ample degree of monetary accommodation.

HINTERGRUND

(wird nicht gezeigt!)

The History of European Monetary Integration

- 1999:** Stage 3 of EMU: Introduction of Euro as book-currency in **11 EMU member states** (including Austria..)
- 2001:** **Greece** becomes the 12th EMU-member
- 2002:** Issuance of euro coins and banknotes
- 2004:** Ten new EU-MS, mainly from CEE (EU-25)
- 2007:** **Slovenia** becomes the 13th EMU-member
Bulgaria and Romania become EU-MS (EU-27)
- 2008:** **Cyprus** and **Malta** become EMU-members No 14 & 15
- 2009:** **Slovakia** becomes EMU-member No 16
- 2011:** **Estonia** becomes EMU-member No 17
- 2013:** Croatia becomes EU-MS (EU-28)
- 2014:** **Latvia** becomes EMU-member No 18
- 2015:** **Lithuania** becomes EMU-member No 19

Current views of non-euro area CESEE EU member states on future euro adoption

Non-euro area CESEE EU MS:

Current exchange rate and monetary policy regimes, ERM II and euro adoption intentions

	Exchange rate and monetary policy regime	ERM II entry intentions of national authorities	Euro adoption plans of national authorities
Bulgaria	euro-based currency board	entry intended by July 2019	no target date specified, but general preference for joining as soon as possible
Croatia	tightly managed float (euro-oriented)	future entry intended, no time-line specified	euro adoption strategy approved by government in spring 2018, no time-line specified
Czech Republic	managed float, inflation targeting	not on the agenda	annual review process, no intentions currently or in the near/medium-term future
Hungary	managed float, inflation targeting	not on the agenda	not on the agenda
Poland	free float, inflation targeting	not on the agenda	not on the agenda
Romania	managed float, inflation targeting	future entry intended, no time-line specified	euro adoption intended at some future point in time, but no strategy / time-line yet

Source: Authors' own compilations from public documents and media reports.