



EUROPEAN CENTRAL BANK

EUROSYSTEM

Christine LAGARDE

President

Mr Chris MacManus  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 21 January 2021

L/CL/21/12

**Re: Your letter (QZ-073)**

Honourable Member of the European Parliament, dear Mr MacManus,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 10 December 2020.

The ECB attaches great importance to the clear, effective and timely communication of its monetary policy strategy and policy decisions and their implementation. It is thus critical for the ECB to communicate with all its stakeholders, including civil society organisations, academics, representatives of the private sector and euro area citizens. This two-way communication takes the form of open, transparent and regular dialogues and debates between members of the ECB's decision-making bodies and the public, including specialised audiences.

For the ECB, as for all central banks, exchanging views with representatives of the private sector – including financial market participants – is important to deliver on its mandate. This reflects the fact that financial markets play a central role in the transmission of the ECB's monetary policy to the wider economy, in particular by determining the financing conditions that matter for households and firms. Moreover, economic analysts and financial market participants closely watch the ECB's policy and communication and fulfil a multiplier function in terms of the transmission of monetary policy.

This exchange of views can take various forms, from open to closed discussions and from multilateral to bilateral events, and will take whatever form the ECB deems most effective, at a given point in time and for a

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given purpose, to help achieve its mandate. In any case, the ECB is fully transparent about its interactions with its stakeholders, and with financial market participants in particular. To ensure full compliance with the highest standards of transparency and accountability, the ECB has established a solid framework for interacting with representatives of the private sector. The ECB's Code of Conduct and guiding principles for external communication clearly define the conditions under which such exchanges take place.<sup>1</sup> The appropriateness of the ECB's framework for interactions with stakeholders was acknowledged by the European Parliament in its resolution of 12 February 2020 on the European Central Bank Annual Report for 2018.<sup>2</sup>

The bilateral calls with ECB watchers, including chief economists and research directors, took place within this framework and were fully disclosed via the regular publication of diaries. The calls took place after the ECB's regular press conferences that follow the Governing Council's monetary policy decisions, and after the publication of the new macroeconomic projections following these press conferences. The launch of the calls had been planned well before these were first conducted, in order to facilitate systematic exchanges on newly published information. The calls followed a clear and structured approach in line with the ECB's framework for interactions with representatives of the private sector, with ECB staff members always present during the entirety of these calls. In addition, the ECB applied a rotation principle across analysts who are regular ECB watchers and represent leading European and global financial market participants. Through this rotation, the ECB allows a wide range of institutions to participate, with the aim of fulfilling the requirements of a level playing field and equal access over time.

The ECB is continuously learning and reviewing its policies and practices with a view to making them as effective as possible – this is also true for the field of communication. To this end, the format of the calls you referred to is also being reconsidered.

Yours sincerely,

[signed]

Christine Lagarde

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<sup>1</sup> For the ECB's Code of Conduct, see Article 8 of the Code of Conduct for high-level European Central Bank Officials, available at: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52019XB0308\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52019XB0308(01)). The ECB's guiding principles for external communication are available at: <https://www.ecb.europa.eu/ecb/orga/transparency/html/eb-communications-guidelines.en.html>.

<sup>2</sup> Available at: [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0034\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0034_EN.html).

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