The ECB's non-standard monetary policy measures during the current financial crisis

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I. Money market spreads

- Money market spreads shot up to unprecedented levels
- Disruptions at different maturities

Note: Spreads are the difference between EURIBOR and overnight index swap rates, in basis points.
2. Impact on the real economy

- Largest fall in output since World War II

Note: Real GDP, year over year growth rate in %.
3. Interest rates

- Official interest rates were cut in a sequence of steps
- Bringing the main refinancing rate from 4.25% to 1% in the space of 6 months

Note: Deposit facility rate, main refinancing operation rate, and lending facility rate.
Source: ECB. Latest observation March 2011.
4. The recovery

- Positive output growth resuming in the beginning of 2010

Note: Real GDP, year over year growth rate in %.
5. Government bond spreads

Note: Government bond spreads w.r. to Germany.

• Outbreak of the European sovereign debt crisis in May 2010
• Bond spreads over German Bunds widened
6. Money growth rate

- Sharp fall over a very protracted period
- Money growth rate has stabilized and then started to increase again

Note: Broad money, year over year growth rate in %
Source: ECB. Latest observation January 2011.