



EUROPEAN CENTRAL BANK

EUROSYSTEM

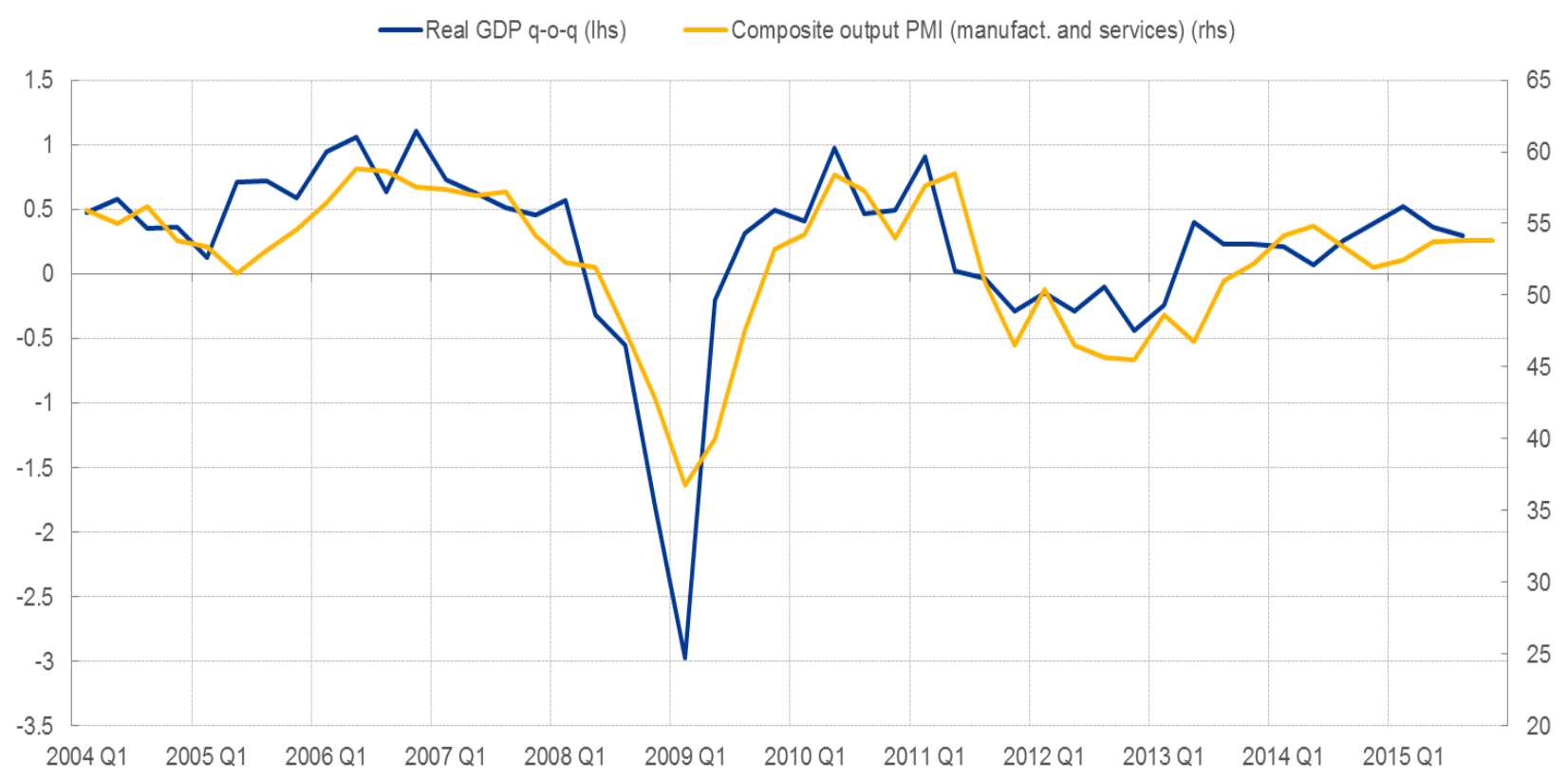
Peter Praet

Monetary policy under uncertainty

**Remarks at FAROS
Institutional Investors Forum**

Frankfurt, 19 November 2015

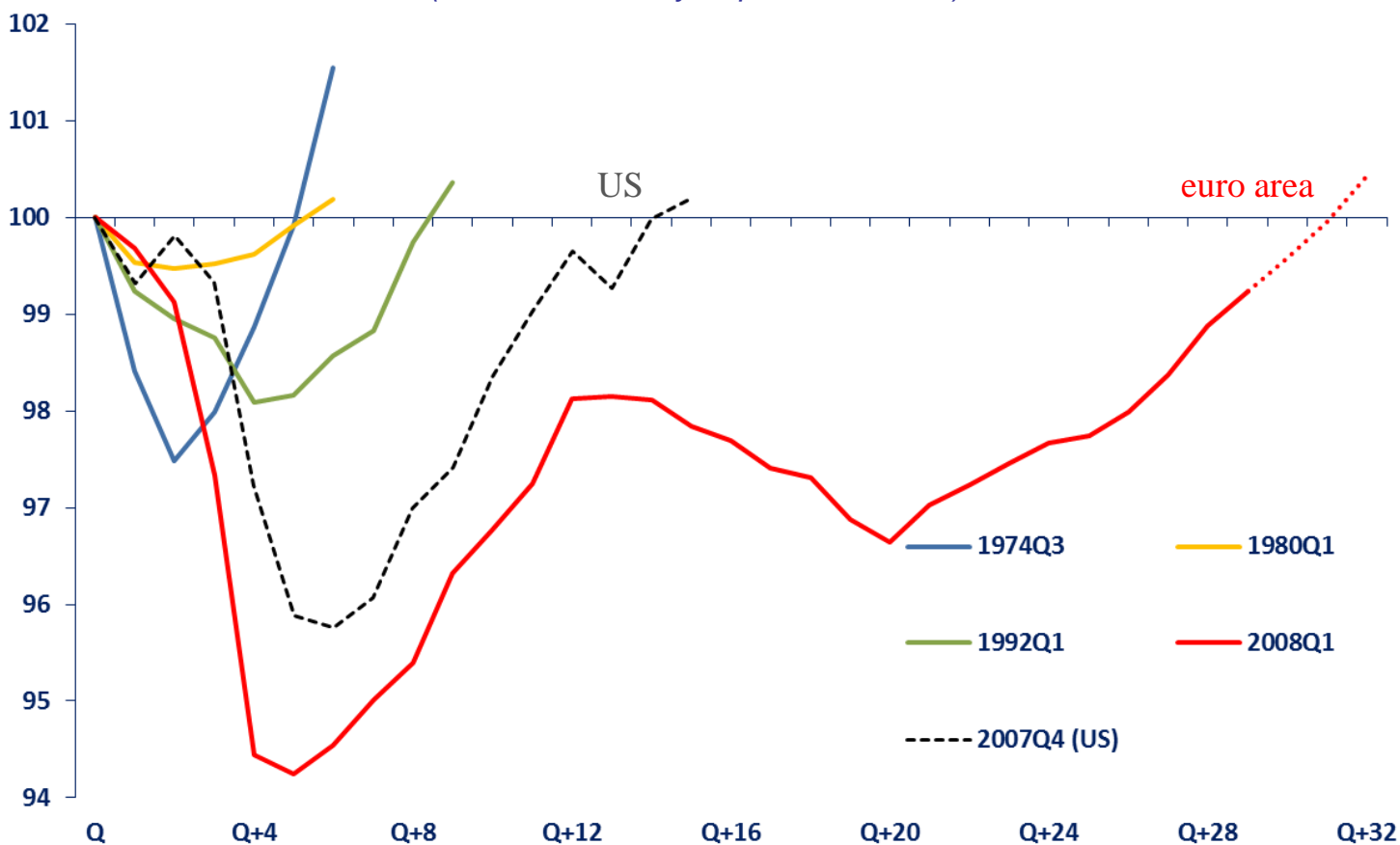
EA: real GDP, composite purchasing managers' index
quarter-on-quarter percentage growth; index; diffusion index



Source: Markit, EuroStat, ECB staff calculation.

Euro area real GDP over various cycles and compared with the current US cycle

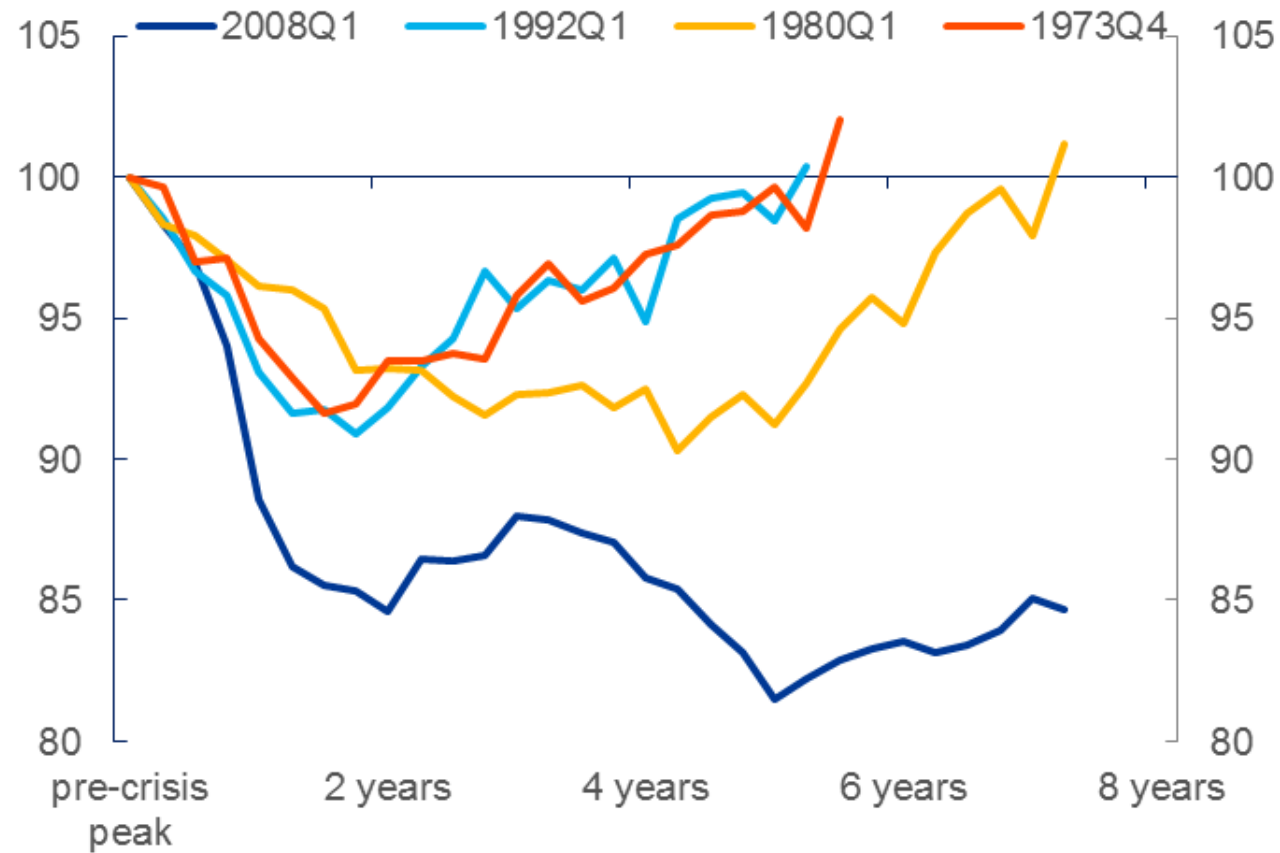
(index: business cycle peak = Q = 100)



Sources: Eurostat, September 2015 MPE, United States Census Bureau and ECB calculations.

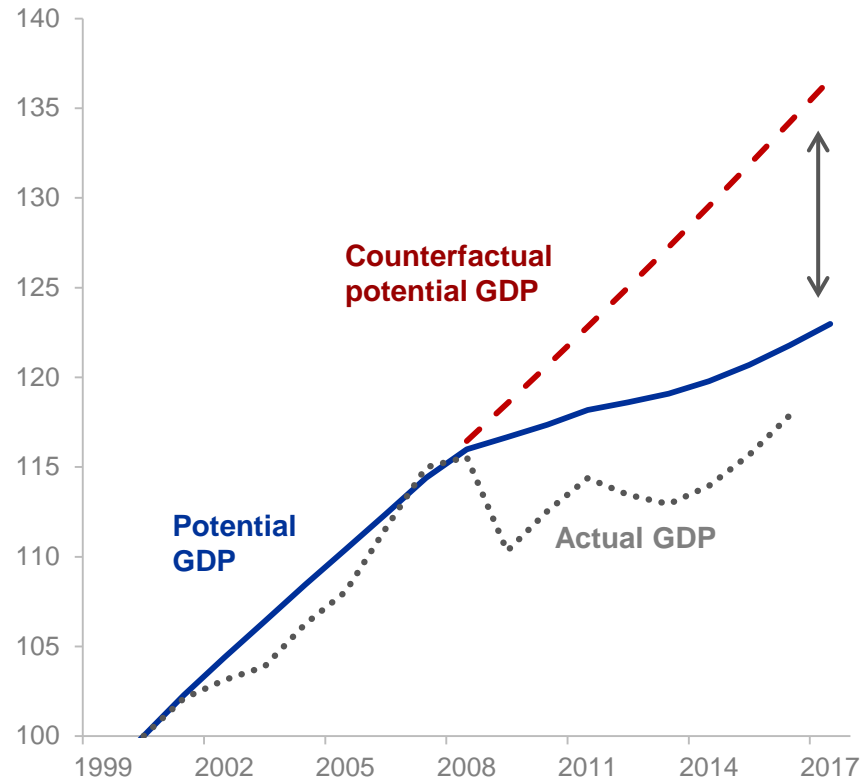
Euro area investment developments over previous cycles and the current cycle

Euro area real investment over various cycles
index: business cycle peak = pre-crisis peak = 100



Source: Eurostat and ECB staff calculations

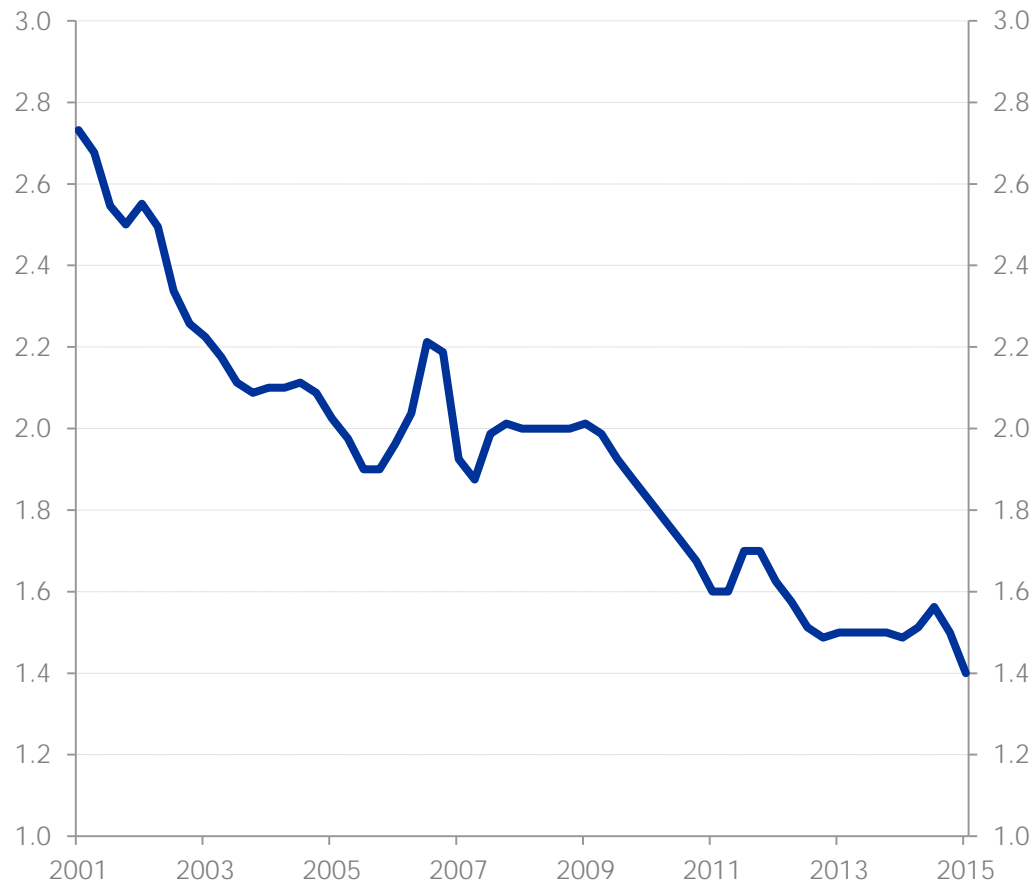
EA: Potential output reduction index, potential GDP in 1999=100



Source: European Commission Spring 2015 forecast, Output Gap Working Group.

Note: counterfactual potential GDP assumes that potential GDP continued to grow at its 2007 growth rate. I.e. it reflects the observation that potential growth has already slowed down before the crisis.

5 years ahead growth expectations for the euro area
% p.a.



Source: Consensus.