Long-run saving and monetary policy

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Parliamentary evening on "Challenges for long-term savings products in the context of the zero-interest policy"
Brussels, 14 November 2016
Nominal interest rates and long-term growth expectations

10-year government bond yields
Annual yields (%)

6-10 years ahead growth expectations for the euro area
% per annum

Source: ECB and Haver
Latest observation: October 2016

Source: Consensus Economics
Latest observation: October 2016
Recoveries and the evolution of potential GDP

**Real GDP and pre-crisis expected path**

Index: 2007 = 100

Source: European Commission, Consensus Economics, ECB calculations

Latest observation: 2015

Note: Dotted lines represent evolution of GDP based on private sector expectations in October 2007.

**Potential EA output reduction due to the crisis**

Index, potential GDP in 1999 = 100

Source: European Commission Fall 2016 forecast, Output Gap Working Group.

Note: Counterfactual potential GDP assumes that potential GDP continued to grow at its 2007 growth rate.
Price of inflation and deflation protection

Basis points per annum

Source: Bloomberg
Latest observation: 10 November 2016
Euro area inflation and economic activity

**Euro area HICP inflation**
annual percentage changes

Source: Eurostat and ECB staff calculations
Latest observation: October 2016

**Euro area real GDP, composite PMI and ESI**
q-o-q growth rate, diffusion index and percentage balance

Source: Eurostat, Markit and European Commission.
Latest observations: 2016Q3 for GDP; October 2016 for ESI and PMI