



EUROPEAN CENTRAL BANK
EUROSYSTEM

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Mario DRAGHI
President

Mr Janusz Korwin-Mikke
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 13 July 2015

L/MD/15/421

Re: Your letter (QZ-96)

Honourable Member of the European Parliament, dear Mr Korwin-Mikke,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 4 June 2015.

All of the ECB's monetary policy measures serve its mandate of maintaining price stability in the euro area. This also applies to the expanded asset purchase programme (APP), encompassing the purchase programmes for asset-backed securities and covered bonds, as well as purchases of euro-denominated investment-grade securities issued by euro area governments, agencies and European institutions in the secondary market.

The decision to launch the APP was taken against the background of concrete risks that inflation expectations were already being influenced by a prolonged period of inflation realisations materially below the levels that the Governing Council of the ECB considers most consistent with its statutory objective of price stability.

With key interest rates at their lower bound, the Governing Council decided to start outright purchases of securities with a high potential for influencing the financing conditions faced by euro area households and firms. Making those financing conditions less restrictive is a precondition for monetary policy – both through conventional as well as unconventional tools – to support inflation and economic growth.

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Purchases under the APP will be conducted at a monthly pace of €60 billion on average, and are intended to continue until the end of September 2016 and, in any case, until the Governing Council sees a sustained adjustment in the path of inflation consistent with its aim of achieving inflation rates below, but close to, 2% over the medium term.

Yours sincerely,

[signed]

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