



EUROPEAN CENTRAL BANK

EUROSYSTEM

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**Member of the**

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# **Long-run saving and monetary policy**

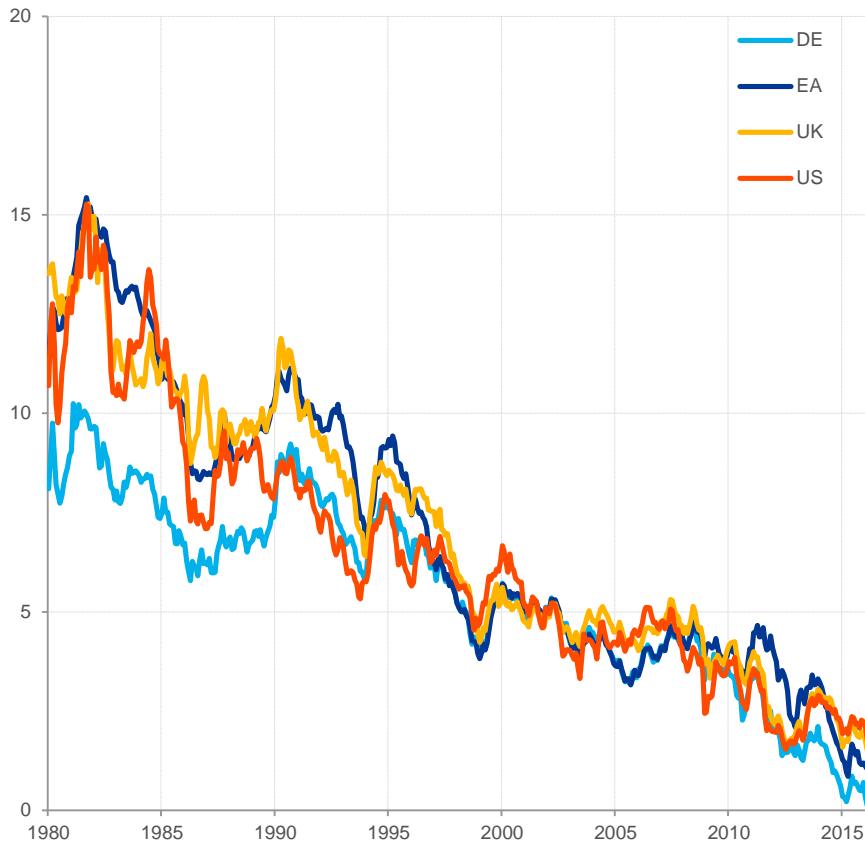
Parliamentary evening on  
"Challenges for long-term savings  
products in the context of the zero-  
interest policy"

Brussels, 14 November 2016

# Nominal interest rates and long-term growth expectations

## 10-year government bond yields

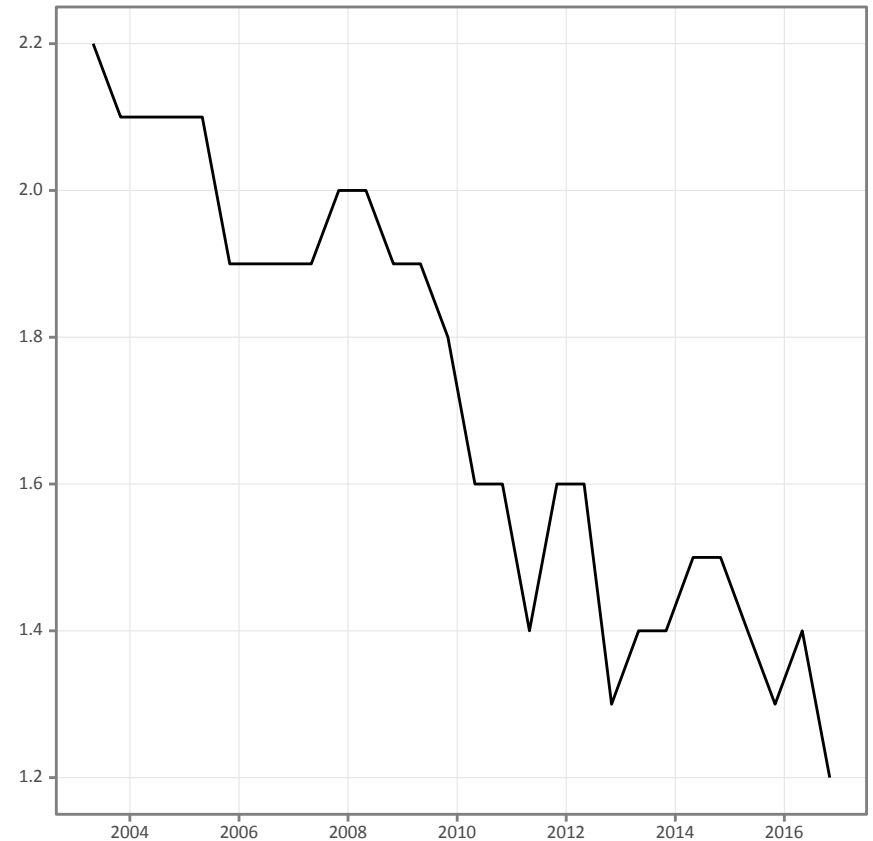
Annual yields (%)



Source: ECB and Haver  
Latest observation: October 2016

## 6-10 years ahead growth expectations for the euro area

% per annum

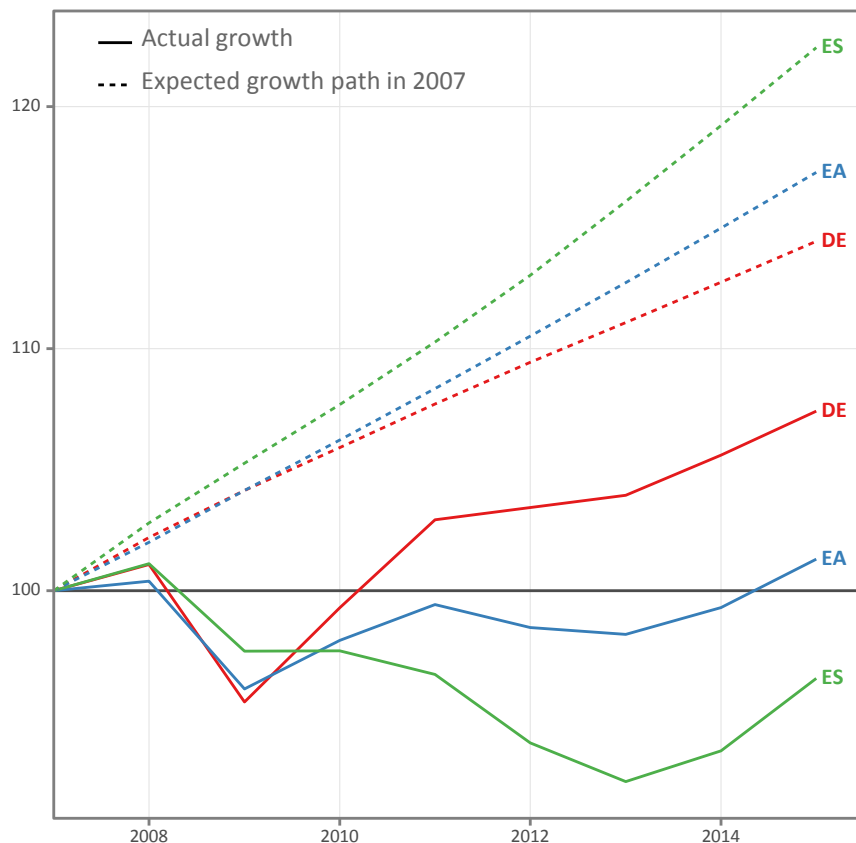


Source: Consensus Economics  
Latest observation: October 2016

# Recoveries and the evolution of potential GDP

## Real GDP and pre-crisis expected path

Index: 2007 = 100



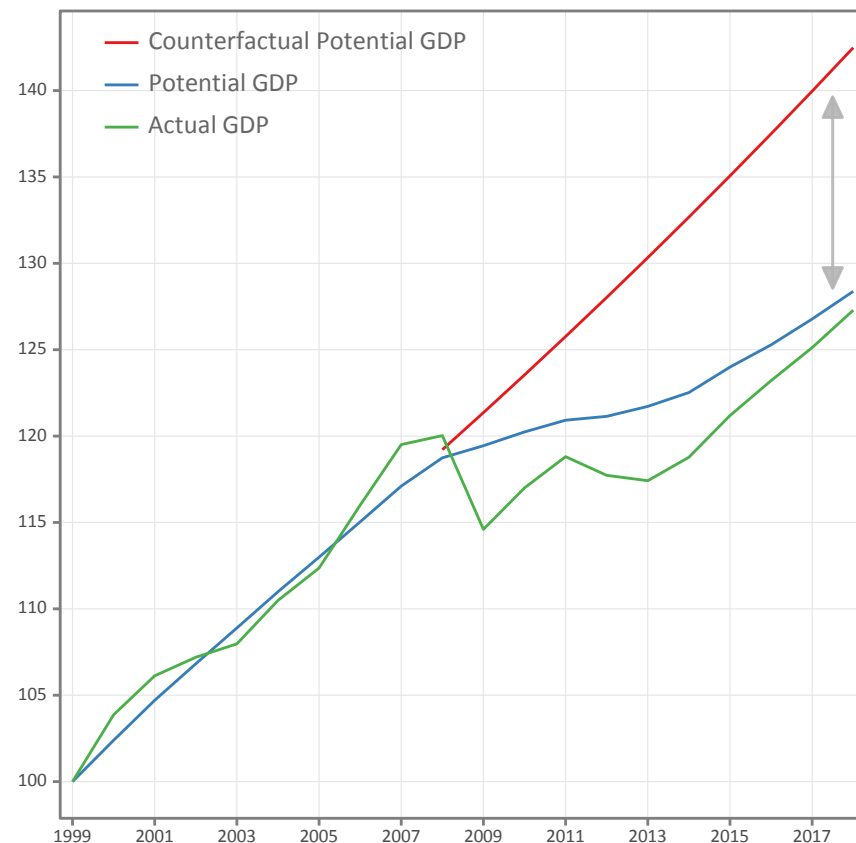
Source: European Commission, Consensus Economics, ECB calculations

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



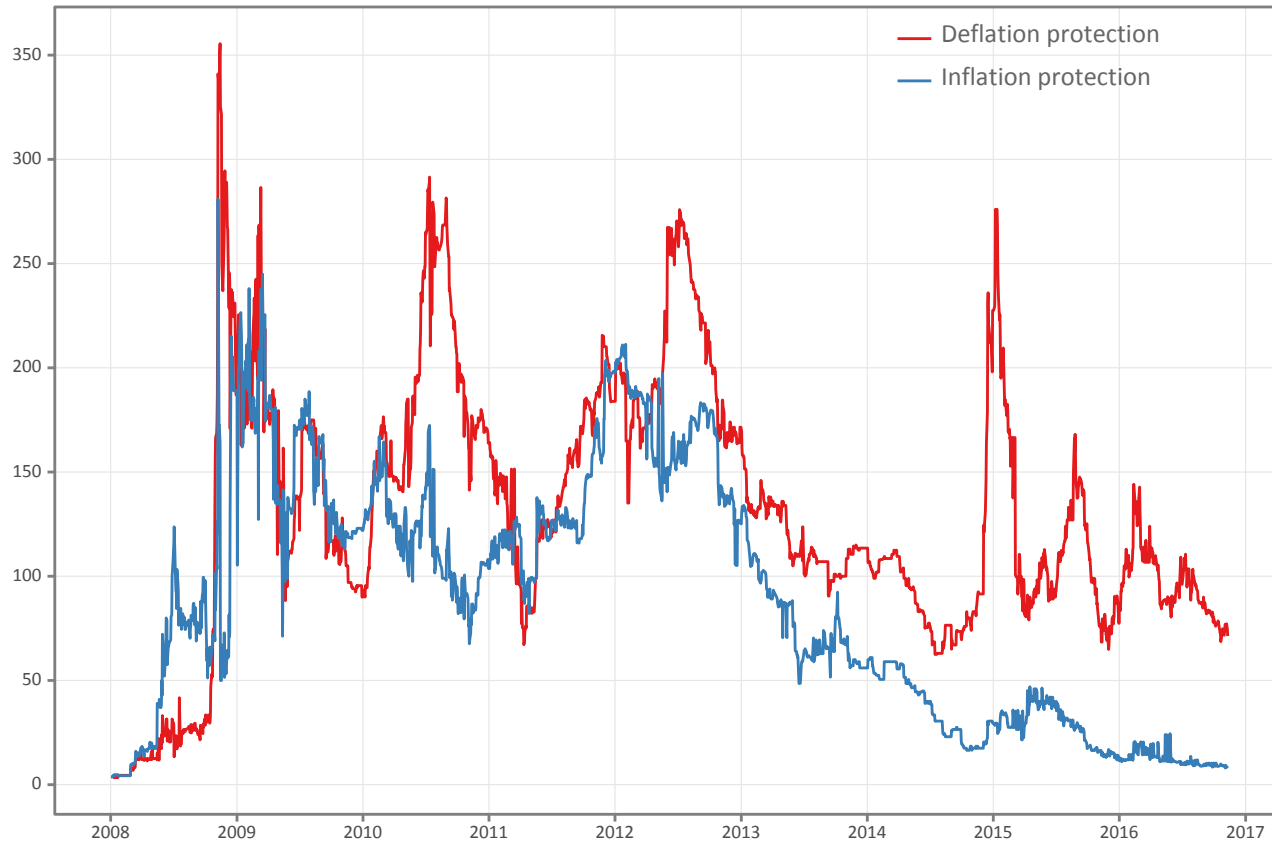
Source: European Commission Fall 2016 forecast, Output Gap Working Group.

Note: Counterfactual potential GDP assumes that potential GDP continued to grow at its 2007 growth rate

# Inflation and deflation protection

## Price of inflation and deflation protection

Basis points per annum



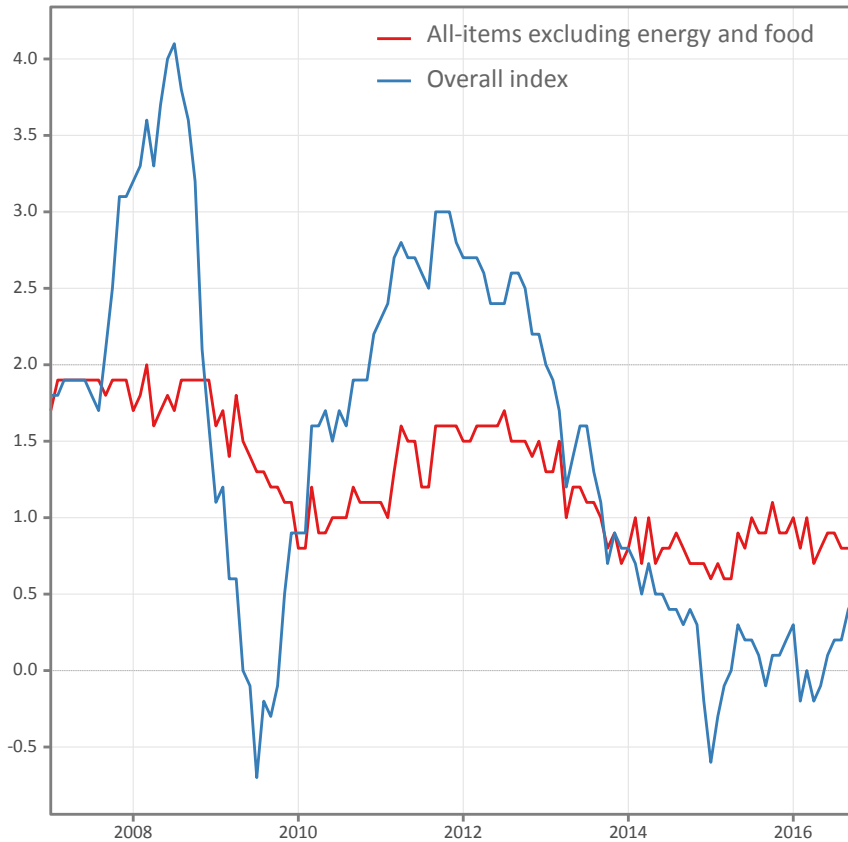
Source: Bloomberg

Latest observation: 10 November 2016

# Euro area inflation and economic activity

## Euro area HICP inflation

annual percentage changes

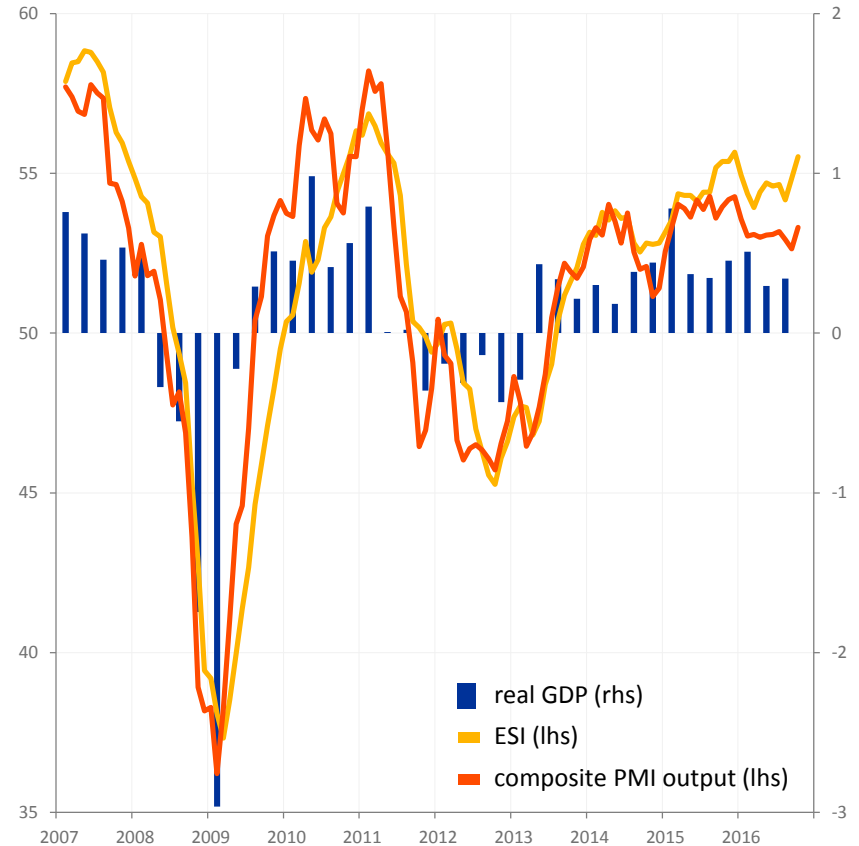


Source: Eurostat and ECB staff calculations

Latest observation: October 2016

## Euro area real GDP, composite PMI and ESI

q-o-q growth rate, diffusion index and percentage balance



Sources: Eurostat, Markit and European Commission.

Latest observations: 2016Q3 for GDP; October 2016 for ESI and PMI