

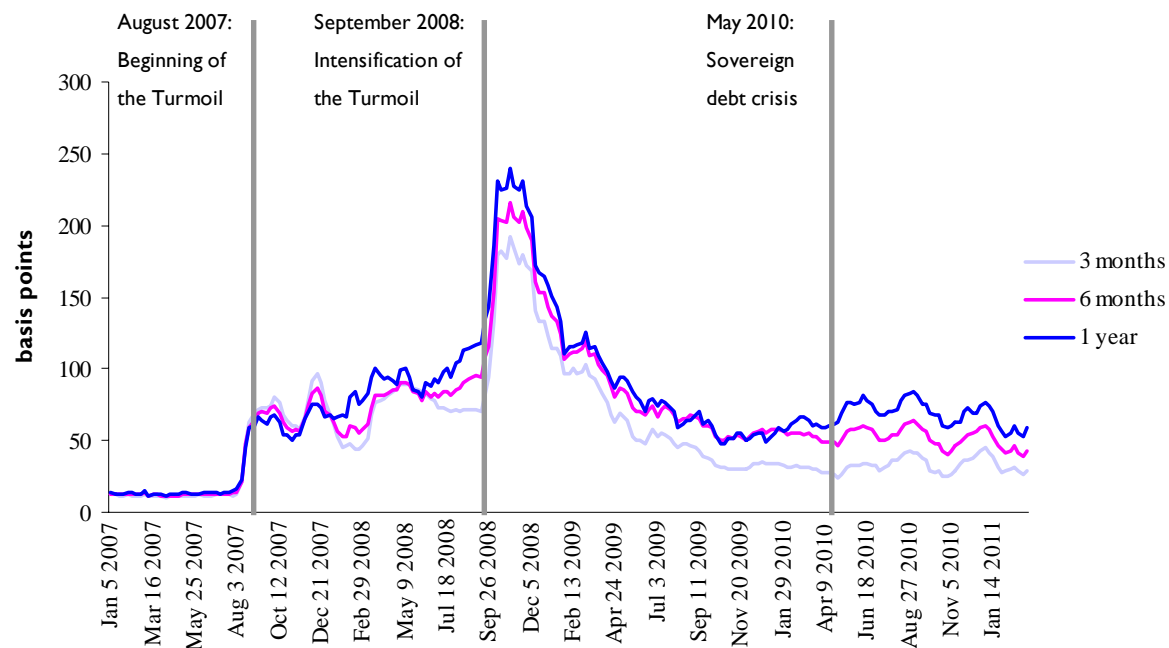
# **The ECB's non-standard monetary policy measures during the current financial crisis**

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**ECB Workshop “The Macroeconomic impact of non-standard monetary policy measures”**

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# I. Money market spreads

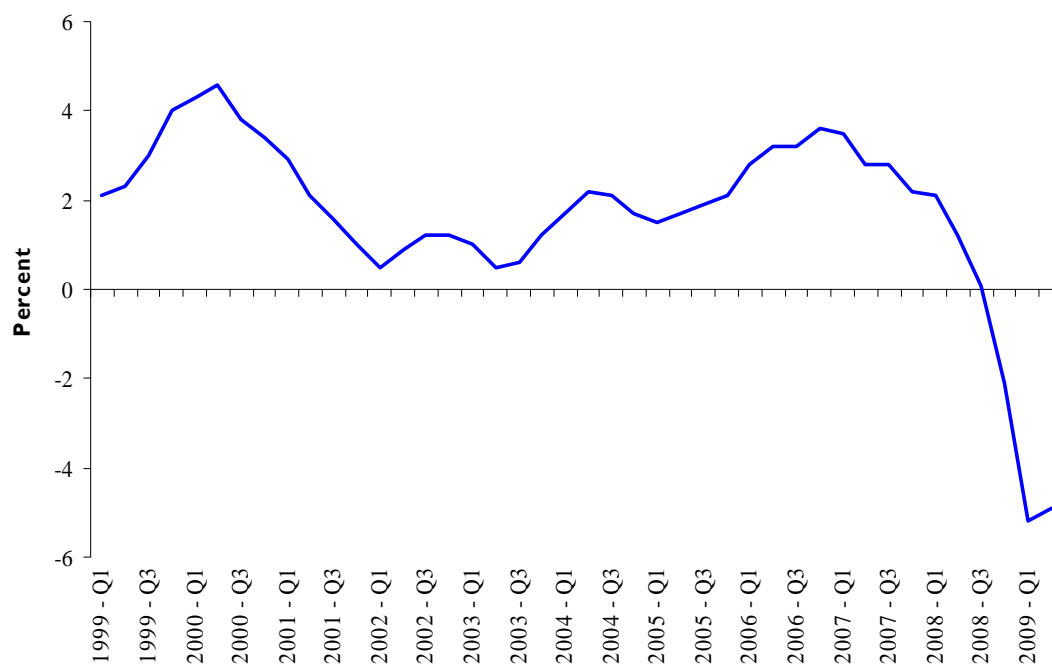


- Money market spreads shot up to unprecedented levels
- Disruptions at different maturities

Note: Spreads are the difference between EURIBOR and overnight index swap rates, in basis points.

Source: Reuters / Haver Analytics and ECB calculations. Latest observation 11 March 2011.

## 2. Impact on the real economy

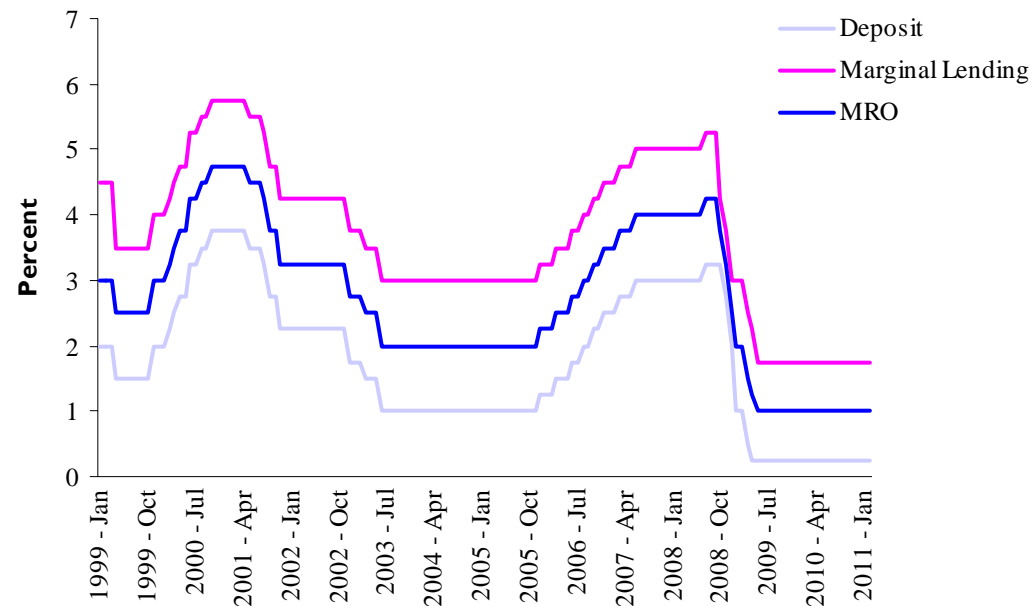


- **Largest fall in output since World War II**

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

Source: OECD / Haver Analytics. Latest observation Q2 2009.

# 3. Interest rates

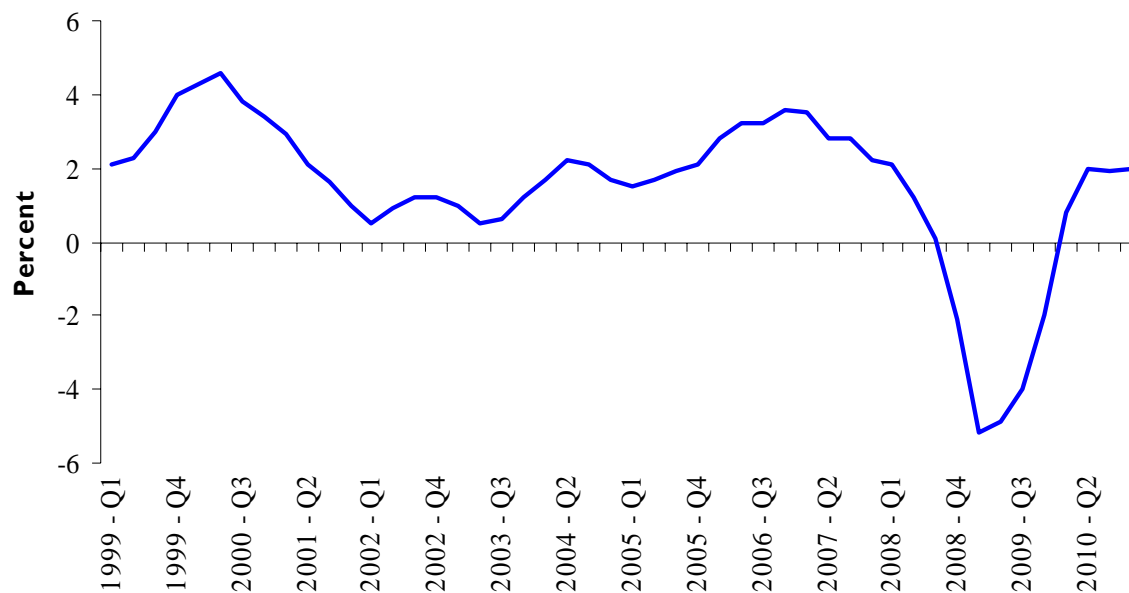


- Official interest rates were cut in a sequence of steps
- Bringing the main refinancing rate from 4.25% to 1% in the space of 6 months

Note: Deposit facility rate, main refinancing operation rate, and lending facility rate.

Source: ECB. Latest observation March 2011.

## 4. The recovery

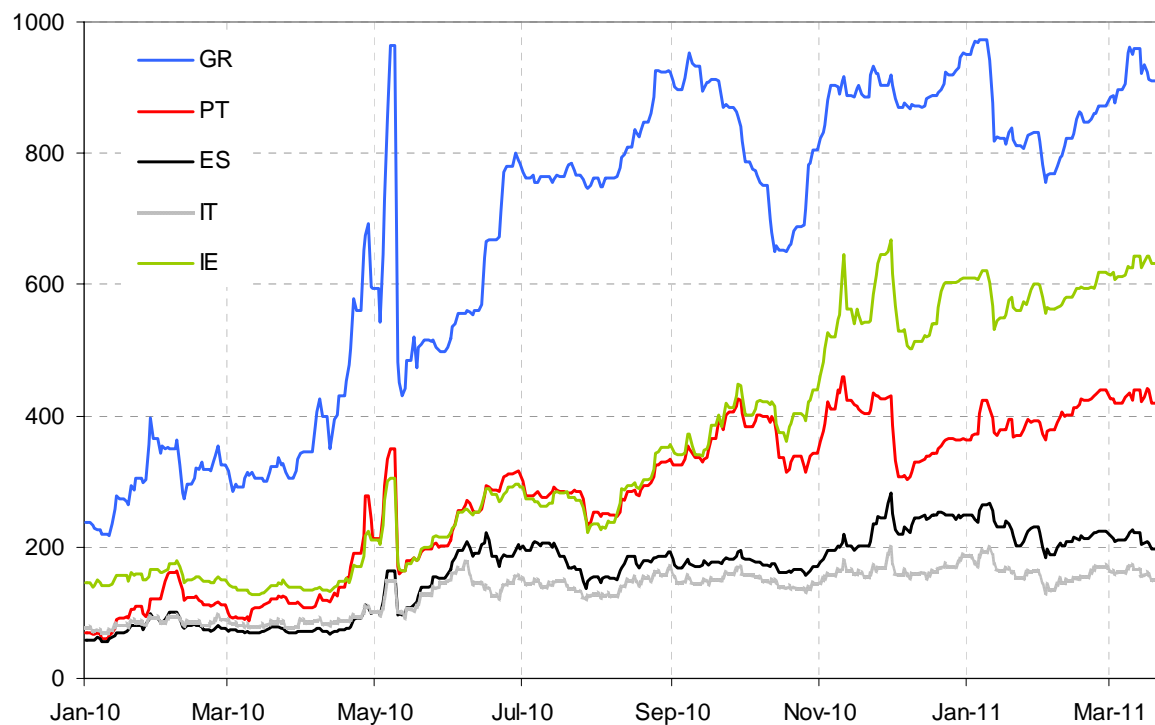


- **Positive output growth resuming in the beginning of 2010**

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

Source: OECD / Haver Analytics. Latest observation Q4 2010.

## 5. Government bond spreads

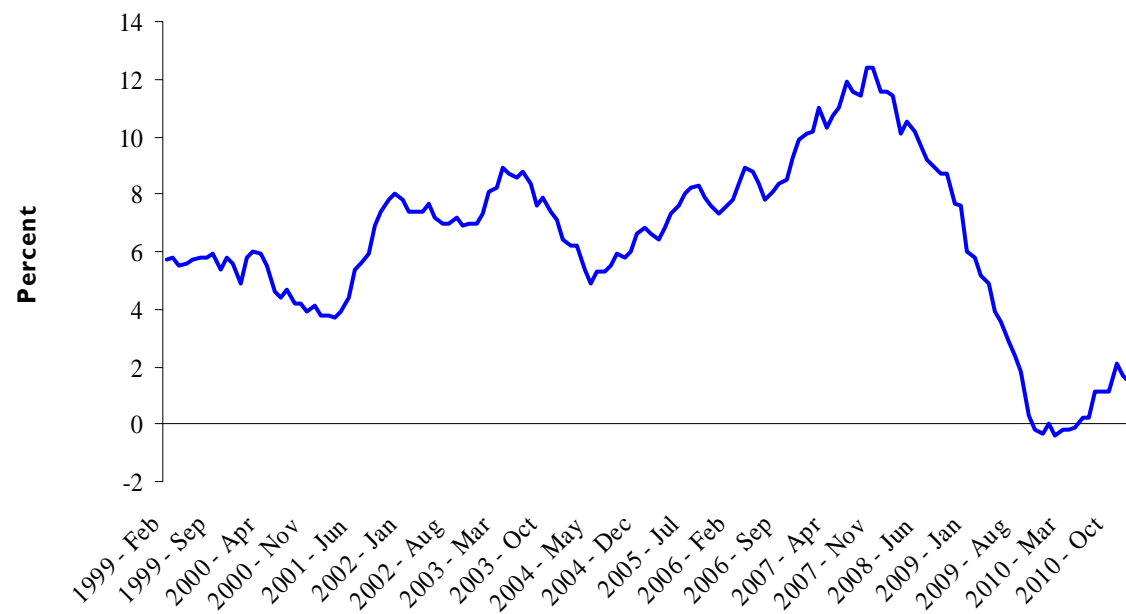


- **Outbreak of the European sovereign debt crisis in May 2010**
- **Bond spreads over German Bunds widened**

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

*Source: Bloomberg and ECB Calculations. Latest observation March 2011.*

## 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.