

## PRESS RELEASE

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### **First meeting of Ibero-American Central Bank Governors to debate their response to the COVID-19 crisis**

Today has marked the 1st Meeting of Ibero-American Central Banks, jointly organised by the **Banco de España** and the Ibero-American General Secretariat (**SEGIB**). The meeting is part of a series of events prior to the **28<sup>th</sup> Ibero-American Summit** of Heads of State and Government to be held in Andorra on 21 April.

This first meeting of the central bank governors of the region's 22 countries comes against the background of the **COVID-19** pandemic, in which cooperation and the exchange of experiences and information among the Ibero-American institutions are more necessary than ever to better respond to the health, social and economic crisis.

The meeting was chaired by the Ibero-American Secretary-General, **Rebeca Grynspan**, and the Governor of the Banco de España, Pablo Hernández de Cos. Numerous central bank governors of the Ibero-American economies and high representatives of various international institutions such as the **Bank for International Settlements** and the **World Bank**, among others, were present.

Two very important issues were addressed during the meeting. First, there was a debate on the monetary policy responses to the economic crisis caused by the pandemic and on the challenges central banks currently face to successfully maintain favourable financial conditions that will enable the recovery to take root.

Broadly, in the current setting of high uncertainty and incipient recovery, it was advocated that monetary policy should continue to provide for financial conditions conducive to safely exiting the crisis.

Further, there was agreement on the need for central banks, in the advanced and emerging economies alike, to remain vigilant ahead of potential tensions arising on financial markets that could, in light of mounting public and private debt, prompt a deterioration in financing conditions.

Second, there was discussion on the role played by international financial institutions in the attempt to restrict the impact of the pandemic on the global economy and, in particular, on the more vulnerable economies.

Participants favourably assessed the response of the international financial institutions following the outbreak of the pandemic, chiefly in the form of the provision of emergency financing and debt-relief initiatives for the low-income economies.

However, the need was noted for deeper support for the middle-income countries which, in many cases, have seen significant backtracking in poverty and inequality during this crisis and which have to address the situation with their national policies affording very little room for manoeuvre.