

Mediterranean Central Banks discuss how to spur on a sustainable economic recovery

Nine central bank Governors have discussed how central bank policies can ease the impact of COVID-19 and reactivate the economy

The Conference “Central Banks at the Frontline of the COVID-19 Crisis: Weathering the Storm, Spurring the Recovery”, jointly organised by the Banco de España, the Central Bank of Tunisia, the Organisation for Economic Co-operation and Development (OECD) and the European Institute of the Mediterranean (IEMed), was held today.

The Conference first addressed the various measures adopted by central banks to ease the impact of the pandemic. Looking to the immediate future it was considered that, in a highly uncertain setting, monetary policy should continue to help maintain favourable financing conditions, to allow the recovery to become firmly established.

How central banks can contribute to sustainable and inclusive growth was then discussed. The participants acknowledged that while the main responsibility for combating climate change lies with the tax and environmental authorities, financial sector regulatory and supervisory authorities must preserve financial stability against a potential materialisation of climate-related risks. Moreover, there is also room for central banks to include climate-related considerations in their internal risk management and their portfolio management (mainly their non-monetary policy portfolios).

The Governors of the central banks of Spain (Pablo Hernández de Cos), Tunisia (Marouane El Abassi), Egypt (Tarek Hassan Amer), Algeria (Rosthom Fadli), Italy (Ignazio Visco), Libya (Saddek Omar El Kaber), Portugal (Mário Centeno), Greece (Yannis Stournaras) and Malta (Edward Scicluna) participated in the Conference.

Conference participants also included Luiz de Mello, Director of the Policy Studies Branch at the Economics Department of the OECD, Senén Florensa, President of the Executive Committee of the IEMed, Fabio Panetta, Member of the Executive Board of the European Central Bank, Mohamed Taamouti, Director of Economic Studies of Bank Al-Maghrib (Morocco) and Nasser Kamel, Secretary General of the Union for the Mediterranean (UfM).