



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

**ECB-PUBLIC**

Christine LAGARDE  
President

Ms Eva Kaili  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 3 April 2020

L/CL/20/88

**Re: Your letter**

Honourable Member of the European Parliament, dear Ms Kaili,

Thank you for your letter dated 25 March 2020 concerning the economic repercussions of the coronavirus (COVID-19). In view of the exceptional and fast-paced nature of developments, I reply to you directly.

The spread of the coronavirus adds a new and substantial downside risk to the euro area growth outlook that also impacts on the outlook for inflation. At its meeting on 12 March 2020, the Governing Council therefore decided on a comprehensive package of monetary policy measures, which together with the substantial monetary policy stimulus already in place, will support liquidity and funding conditions for households, businesses and banks and will help to preserve the smooth provision of credit to the real economy, in turn supporting the convergence of inflation to our medium-term aim.<sup>1</sup> On 15 March, the ECB and other major central banks also announced actions to enhance the provision of global US dollar liquidity.<sup>2</sup> To counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area, on 18 March, the ECB moreover announced a temporary €750 billion Pandemic Emergency Purchase Programme, together with an expansion of the range of eligible assets under the corporate sector purchase programme and an easing of its collateral standards.<sup>3</sup>

<sup>1</sup> See <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.mp200312~8d3aec3ff2.en.html>

<sup>2</sup> See <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200315~1fab6a9f1f.en.html>

<sup>3</sup> For further details, see [https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318\\_1~3949d6f266.en.html](https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr200318_1~3949d6f266.en.html) and [https://www.ecb.europa.eu/press/blog/date/2020/html/ecb.blog200319~11f421e25e.en.html?utm\\_source=cl\\_twitter&utm\\_medium=social&utm\\_campaign=200319\\_ecb\\_blog\\_cl](https://www.ecb.europa.eu/press/blog/date/2020/html/ecb.blog200319~11f421e25e.en.html?utm_source=cl_twitter&utm_medium=social&utm_campaign=200319_ecb_blog_cl)

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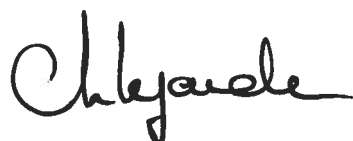
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In addition to the measures of 12, 15 and 18 March 2020, the ECB will continue to monitor closely the consequences for the economy of the spreading coronavirus. The ECB stands ready to adjust all of its measures, as appropriate, should this be needed to safeguard liquidity conditions in the banking system and to ensure the smooth transmission of its monetary policy in all euro area jurisdictions.

The Governing Council of the ECB is committed to playing its role in supporting all citizens of the euro area through this extremely challenging time. The Governing Council will do everything necessary within its mandate. It will explore all options and all contingencies to support the economy through this shock.

We will continue to provide information via our regular communication channels, notably the ECB website where you can find all related press releases, blog posts, speeches, interviews and analyses, also with a view to ensuring that the European Parliament remains fully informed in this fast-paced environment.

Yours sincerely,



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