

**Volker Wieland**

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President Draghi, Ladies and Gentlemen,

I am very pleased to welcome you to this conference, which brings together “The ECB and its Watchers” since 1999. This is the 19<sup>th</sup> conference. So we have come of age. We are very grateful for the ECB President, Board and Governing Council Members for their willingness to meet the ECB watchers in this format every year. We are also very grateful to our financial supporters, that is, the Foundation of Monetary and Financial Stability and the Circle of Friends of the ECB Watchers.

President Draghi, the first time I had the honor to introduce you at this event was on June 15, 2012. That was at a dramatic confluence of events concerning European Monetary Union and much has happened since then. This year, we have the benefit of a sustained recovery that has broadened into the whole euro area. Some challenges still remain. One of them, the timing and pace of monetary policy normalization.

When I introduced President Draghi in 2012, I cited from one of his writings, namely his Ph.D. dissertation at MIT. He said, if I recall correctly, that he’s rarely surprised by anything but that I did it. I don’t see how I can top this, so I won’t try.

Rather than summarizing President Draghi’s many tremendous achievements, let me use a minute to make a brief observation regarding one of them. Back when I worked at the Fed in the early 1990s press conferences of central bankers were simply unknown. Fed Chair Alan Greenspan, then called “The Maestro” did not give a statement. Rather it was known that he talked with two or three journalists behind the scenes and their subsequent articles in the Washington Post and the Wall Street Journal provided insightful explanations of Fed

decisions. At the time, the Fed staff was just designing a first simple monetary policy statement that was actually based on the elements of the Taylor rule. In 1998 the ECB innovated. They started regular press conferences. Much later, the Fed followed.

A while ago, I watched the video of a Fed press conference with then FOMC chair Janet Yellen. I was amazed how it focused almost exclusively on data readings concerning inflation, unemployment and growth. Home turf for a Fed economist, I thought.

By contrast, questions the ECB President has to answer at his press conferences cover an extremely wide range. Just looking at the most recent press conference: threat of US tariffs and a trade war, Latvian authorities blocking the Latvian Governing Council Members participation in the meeting, pension and labor laws in Italy following the election, emergency liquidity assistance, what makes a good ECB president (brilliant answer there), the speech of another board member, hiccups in markets, German coalition agreement and reforms, women's day and ECB appointment of a new Vice-President, Wow! And I left out the monetary policy questions.

I am sure you will agree with me, President Draghi has been extremely effective not just in handling the extremely wide range of questions he's faced with on a regular basis, but in general making use of the press conference to shape monetary policy and its impact on financial markets and the economy at large. He is truly a virtuoso of the direct interaction with the media.

Without further ado, let me invite President Draghi to the stage. Mr. President, I am sure, the audience as always, will be hanging on your every word.