

Press release

15 June 2022

Statement after the ad hoc meeting of the ECB Governing Council

Today the Governing Council met to exchange views on the current market situation. Since the gradual process of policy normalisation was initiated in December 2021, the Governing Council has pledged to act against resurgent fragmentation risks. The pandemic has left lasting vulnerabilities in the euro area economy which are indeed contributing to the uneven transmission of the normalisation of our monetary policy across jurisdictions.

Based on this assessment, the Governing Council decided that it will apply flexibility in reinvesting redemptions coming due in the PEPP portfolio, with a view to preserving the functioning of the monetary policy transmission mechanism, a precondition for the ECB to be able to deliver on its price stability mandate. In addition, the Governing Council decided to mandate the relevant Eurosystem Committees together with the ECB services to accelerate the completion of the design of a new anti-fragmentation instrument for consideration by the Governing Council.

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