



**EUROPEAN CENTRAL BANK**  
EUROSYSTEM

**ECB-PUBLIC**

*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Nikolaos Chountis  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 17 May 2016

L/MD/16/225

**Re: Your letter (QZ-037)**

Honourable Member of the European Parliament, dear Mr Chountis,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 8 April 2016.

The expanded asset purchase programme, including the public sector purchase programme (PSPP), has had – and will continue to have – a positive impact on growth, employment and prices across the euro area, in accordance with the ECB's price stability mandate. The ECB considers that current interest rate levels (which are mathematically linked to bond prices) reflect a weak outlook for growth and inflation – precisely the situation that the ECB's policies are designed to counteract. As such, the link between liquidity needs and interest rate levels suggested in your letter is tenuous and misrepresents both the economic background and the nature of asset purchase policies, such as those implemented by the ECB.

Lastly, I discussed the specific criteria in place for bonds issued by a government to be eligible for purchases under the PSPP in a letter to your colleagues Mr Papadimoulis and Mr Kouloglou dated 12 January 2016.<sup>1</sup> I would, therefore, kindly refer you to this letter.

Yours sincerely,  
[signed]  
Mario Draghi

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<sup>1</sup> The letter is available at: [http://www.ecb.europa.eu/pub/pdf/other/160112letter\\_papadimoulis\\_kouloglou.en.pdf](http://www.ecb.europa.eu/pub/pdf/other/160112letter_papadimoulis_kouloglou.en.pdf)