



Speech by Chancellor Scholz at the 25th anniversary of the ECB on 25 May 2023 in Frankfurt am Main

Wednesday, 24 May 2023 in Frankfurt am Main

Madam President, chère Christine,
Excellencies,
Presidents,
Colleagues,
Staff Members of the ECB,
Friends,
Ladies and gentlemen,

shortly after I had been sworn in as Minister of Finance, I visited the ECB tower for the first time. I felt that it was important to come here to Frankfurt right at the beginning of my then term.

Because the ECB is at the heart of our common currency.

Because the euro has made Europe a tangible part of our everyday lives.

And because Europe's large single market is complemented by one of the largest currencies in the world, making us stronger globally.

And the euro area keeps growing:

I am pleased that Croatia joined our currency union at the beginning of this year, becoming the 20th member of our euro family.

Others share this aspiration and I am confident that more countries will follow in the future.

After all, the euro has turned out to be one of the most successful EU integration projects.

That slightly laconic statement hides a tremendous amount of hard work. Work done here, at the ECB, but also in Brussels, and in all of our Member States.

Time and again, our common currency has been put to the test – and sometimes along with the commitment and determination of the euro area itself.

The financial crisis and the sovereign debt crisis, the COVID pandemic, the economic consequences of Russia's war against Ukraine – there was no ready-made recipe for responding to any of these.

That is what makes it all the more remarkable that we can state one thing very clearly today: The euro area is able to defend its currency against all challenges.

The euro is irreversible.

The ECB has played an unparalleled role in this.

Thank you for protecting our currency, dear Jean-Claude Trichet, dear Mario Draghi, dear Christine Lagarde.

And our gratitude includes Wim Duisenberg, who left us far too early.

You guided and shaped monetary policy through these last 25 years. And when

it mattered, your actions and words made a difference.

When many feared and some betted that the euro area would break apart, the ECB stood true to its mandate.

And it took you, Mario, only a few decisive words to calm down the markets: “Whatever it takes.”

I believe that with these words you not only calmed down markets, I am convinced they will enter the history books.

And during the COVID pandemic, you Christine, stated that “extraordinary times require extraordinary action.”

Clearly, the basis and remit for this is defined by the ECB’s competence and mandate.

At these decisive moments, your leadership gave the world confidence in our common currency.

In 1998, the ECB was founded as a strong and independent central bank with a clear mandate – maintaining price stability in the euro area.

After the first 25 years, we can say that our common currency is indeed attractive, safe and stable.

When it became necessary to establish common banking supervision for large financial institutions, the ECB also stepped in: by serving as the home for a new Single Supervisory Mechanism and setting it up in record time.

It is safe to say: The ECB has been an anchor for stability in the euro area. Or, as you phrased it in the video: “stability is your thing.”

That comes as a reassurance for our citizens, also in the current economic environment.

Russia's war of aggression against Ukraine is first and foremost a catastrophe for the brave Ukrainian people. But it also puts our countries to an unprecedented test. A test – I might add – that we have so far passed, because we have stood more united than ever.

Last year, we have seen the highest inflation rates since the creation of the euro. The consequences are being felt by citizens all over Europe. Those with the lowest income and little savings are being hit the hardest.

So, it is good to know that, while we are celebrating this special occasion here tonight, the ECB is actively fighting inflation.

I fully support this effort – if I may say so with all due respect to the ECB's independence.

This independence is essential for a stable and credible monetary policy.

After all, the value of a currency depends to a large extent on trust. Trust in the institutions that are responsible for this currency.

Without trust, neither paper nor digital money has any meaningful value.

However, stability and trust are by no means impediments to progress – on the contrary.

The work on a digital euro is an ambitious and forward-looking project that will strengthen European sovereignty.

To bring its full potential to bear, we should allow for its widest possible use by

private and business customers.

Strengthening the euro area also requires progress on important legislative projects. As Member States of the European Union, we must play our part.

Completing the Capital Markets Union is essential to mobilising the funds we all need to tackle the biggest challenge ahead of us: the transition of our economies and societies towards climate neutrality.

Moreover, as I have already outlined as Finance Minister, there is an obvious need to continue our work on the Banking Union.

Here, we are aiming for targeted and effective improvements, while building on well-established solutions that are already in place in Member States.

And, ladies and gentlemen, we are also doing our part when it comes to supporting the ECB's work to implement its core mandate. As much as all EU member states were right in conducting expansive fiscal policy during the pandemic – just remember our ground-breaking agreement on Next Generation EU – our fiscal policies will now have to adjust again and keep an eye on limiting inflationary pressure.

That's how we must join forces with the ECB in the fight against inflation.

Last, but not least, ladies and gentlemen, we are proud to be the ECB's home country.

5000 employees from all over Europe work for the ECB and the European Banking Supervision.

By the way, this includes a growing number of women.

And I can only make an educated guess that this also has to do with your work, Christine, and your role as a trailblazer for equality.

Since you became President in 2019, you have not only broken through glass ceilings. You have also opened the ECB's glass doors towards the urban society of Frankfurt – quite literally, on Night of the Museums this year.

The ECB is also strengthening Frankfurt's role as a leading financial centre in Europe.

And I may say, there are new chances to continue this.

Following Brexit, Frankfurt has recorded by far the largest number of new license applications for banks and other financial services firms.

So, it is fair to say that your presence, the presence of the ECB in Frankfurt, is shaping the city, just like the euro is shaping the European Union for the better. And as I said, there might be new institutions.

With an eye to the future, I hope the ECB will continue to be the haven of stability, the beacon of independence and trust, and the trailblazer for progress that we have come to know.

Thanks for your hard work and your commitment over the past 25 years! A commitment you called for, Jean-Claude, when you accepted the Charlemagne Prize and you said that “every generation needs to commit itself to Europe all over again.”

I couldn't agree with you more.

So let's commit to Europe again today,
by committing to the euro again today.

To guarantee the prosperity, unity and stability of our European Union.

Happy anniversary!