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PRESS RELEASE

EUROSYSTEM AND GULF COOPERATION COUNCIL CENTRAL BANKS AND MONETARY AGENCIES HOLD THIRD HIGH-LEVEL SEMINAR

Today the Eurosystem – comprising the European Central Bank (ECB) and the 17 national central banks of the euro area – and the central banks and monetary agencies of member states of the Gulf Cooperation Council (GCC)[1] held their third high-level seminar in Abu Dhabi, the capital of the United Arab Emirates. This seminar, which is the first one to have been held in a GCC member state and hosted by the Central Bank of the United Arab Emirates, was attended by governors and high-level representatives of the Eurosystem and the GCC countries' central banks and monetary agencies, as well as representatives of the European Commission and the GCC Secretariat General.

The main issues addressed at the seminar pertained to current economic, financial and fiscal challenges in the euro area, to systemic risk analysis and the prevention of financial crises and to topical issues concerning the international monetary and financial architecture.

Welcoming the seminar participants, the Governor of the Central Bank of the United Arab Emirates, Sultan Bin Nasser Al-Suwaidi stated "I am confident we will seize this opportunity to learn first hand about the current situation in Europe and to foster the relationships between our institutions. He added I am particularly pleased with the program for today, as many of the most difficult and challenging issues faced by the world economy, are to be discussed".

In his opening remarks, ECB President Mario Draghi emphasised the growing importance of GCC countries in the global economy and in global finance. This warranted a further strengthening of the dialogue between the Eurosystem and the GCC central banks and monetary agencies, for which the seminar provided a useful platform.

[1] The GCC member states are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Seminar discussions focused on the following three topics:

Current economic, financial and fiscal challenges in the euro area

Seminar participants exchanged views on the challenges currently facing the euro area. They stressed the importance of fiscal discipline and competitiveness for member states of a monetary union. They also emphasised the need for stringent rules for fiscal and economic policies in member states and for effective supranational mechanisms for surveillance, enforcement of rules and crisis management. While some euro area countries were facing severe challenges, on aggregate the euro area's fiscal accounts were stronger than those of other major advanced economies. Participants expressed confidence in the euro area authorities' ability to overcome current challenges and to strengthen the institutional framework of Economic and Monetary Union by rapid implementation of all reform measures agreed to date. They also shared the view that the euro area's experience contains important lessons for the GCC's monetary integration process.

Systemic risk analysis and the prevention of financial crises

Seminar participants agreed that one of the key lessons from the global financial crisis is the need for a macro-prudential approach to the financial sector to make financial systems more resilient. They exchanged views on tools to identify and assess systemic risks and on policy frameworks for macro-prudential supervision. The participants discussed the policies being pursued to enhance financial stability and strengthen banking supervision in the EU, the GCC and at the international level.

International monetary and financial architecture

The participants noted that, over the past decades, the growing weight of emerging market economies has triggered some important structural shifts in the global economy. In terms of the real economy and global finance, the world has moved towards more multipolarity as emerging market economies gradually attain greater importance in global trade, global finance and global policy dialogue. Seminar participants also noted that this shift towards multipolarity is far less pronounced in international currency usage, given that emerging market currencies so far play only a limited global role. They also exchanged views on policy challenges related to global imbalances, international capital flows and global governance.

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