

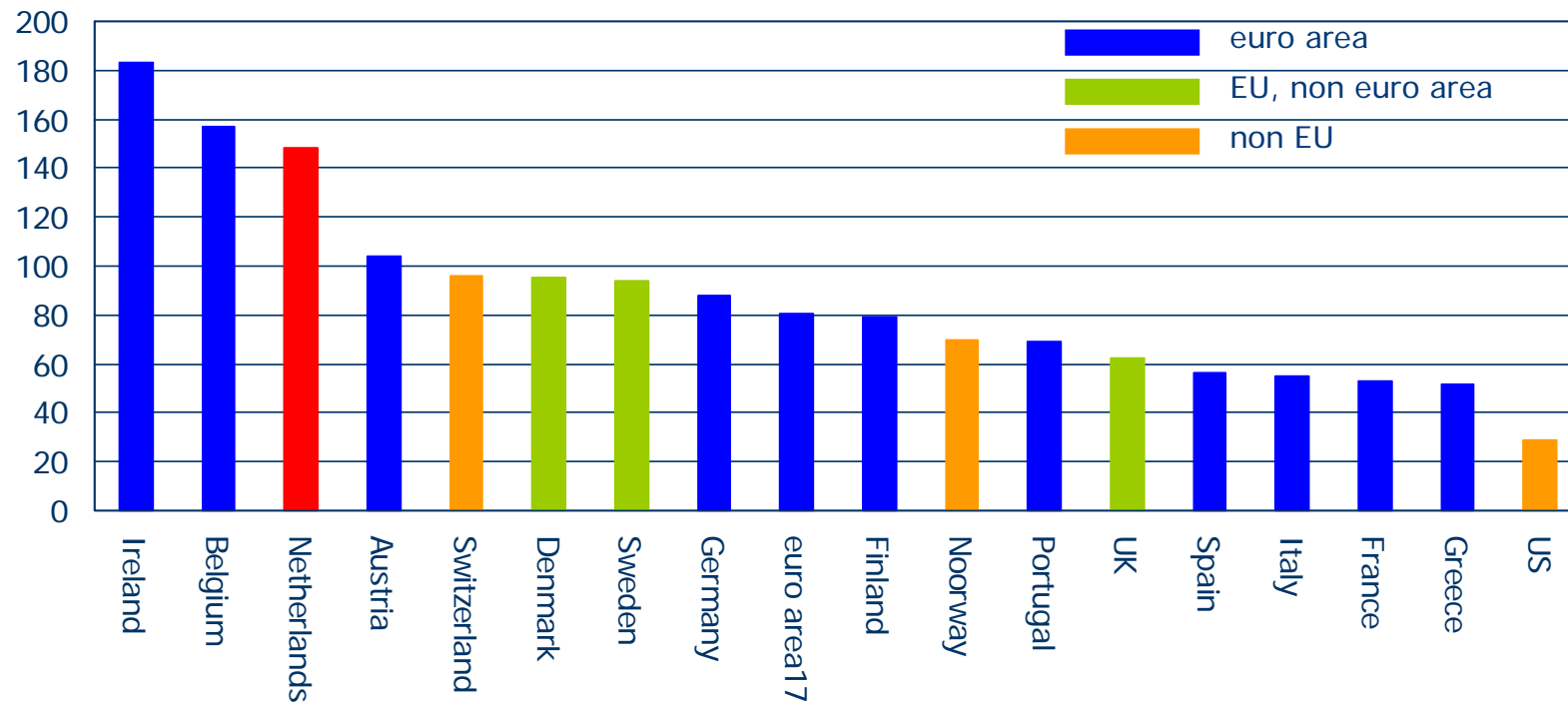
The future of EMU and the Netherlands' place in Europe

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President, De Nederlandsche Bank

OMFIF GOLDEN SERIES ON WORLD MONEY
17 February 2012



Openness of economy¹, 2010



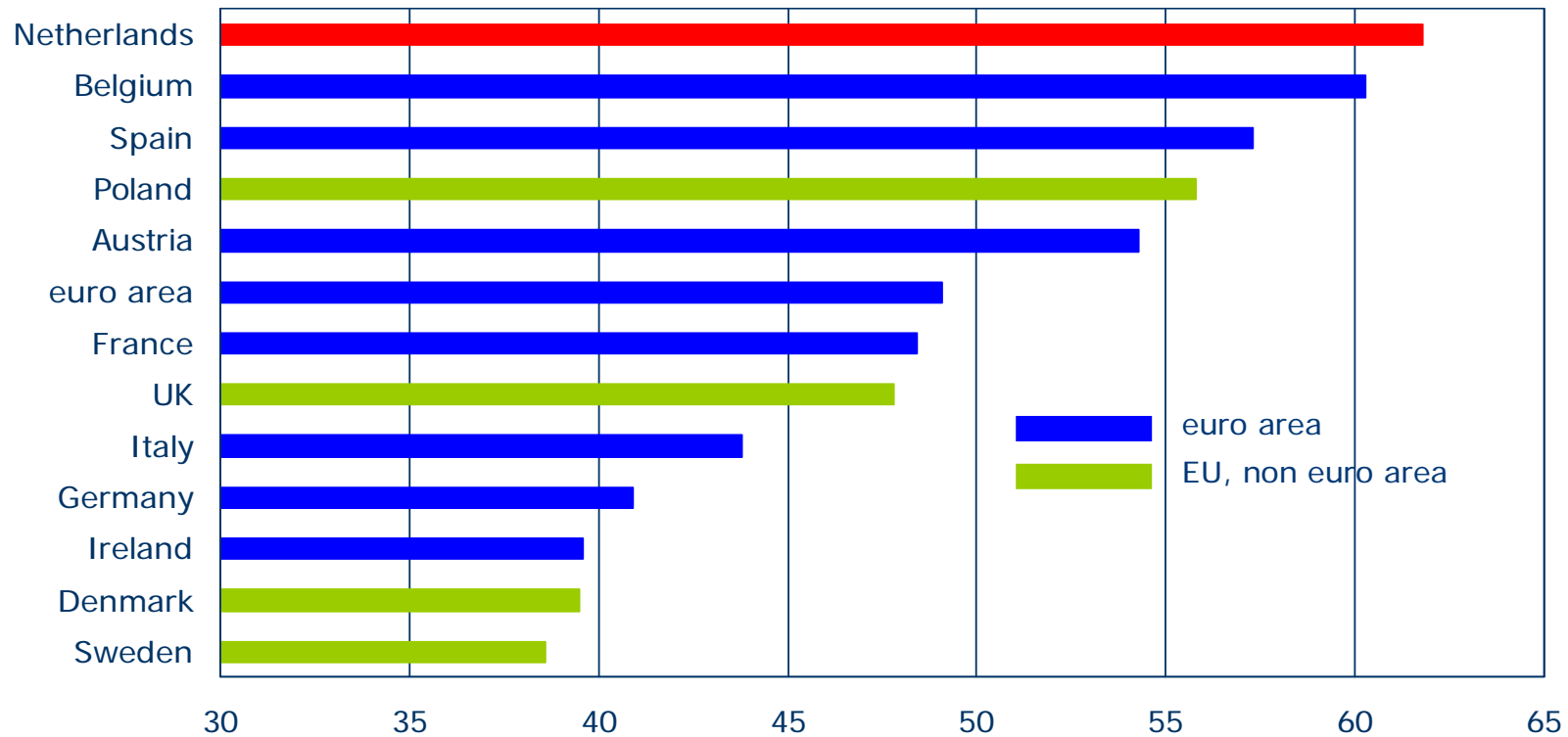
¹ Exports + imports of goods and services as percentage of GDP.

Source: Eurostat.

2



Exports orientation¹, 2010

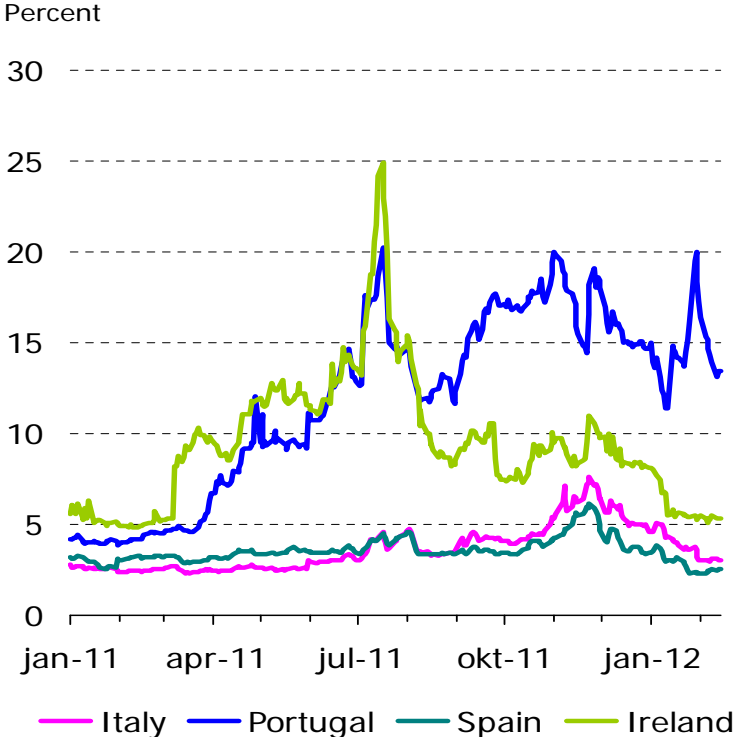


¹ Exports to euro area as percentage of total exports.

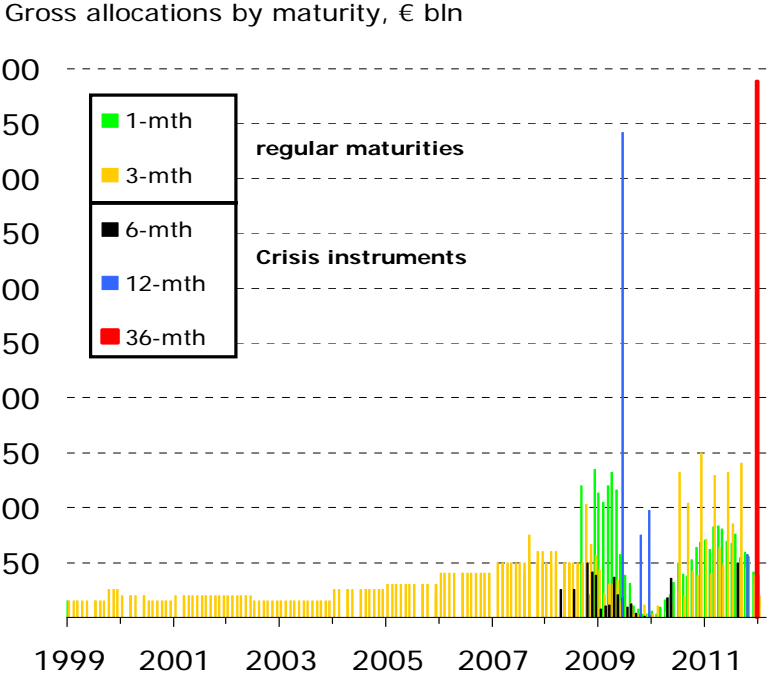
Source: Eurostat.

European debt crisis

2-year government bond yields

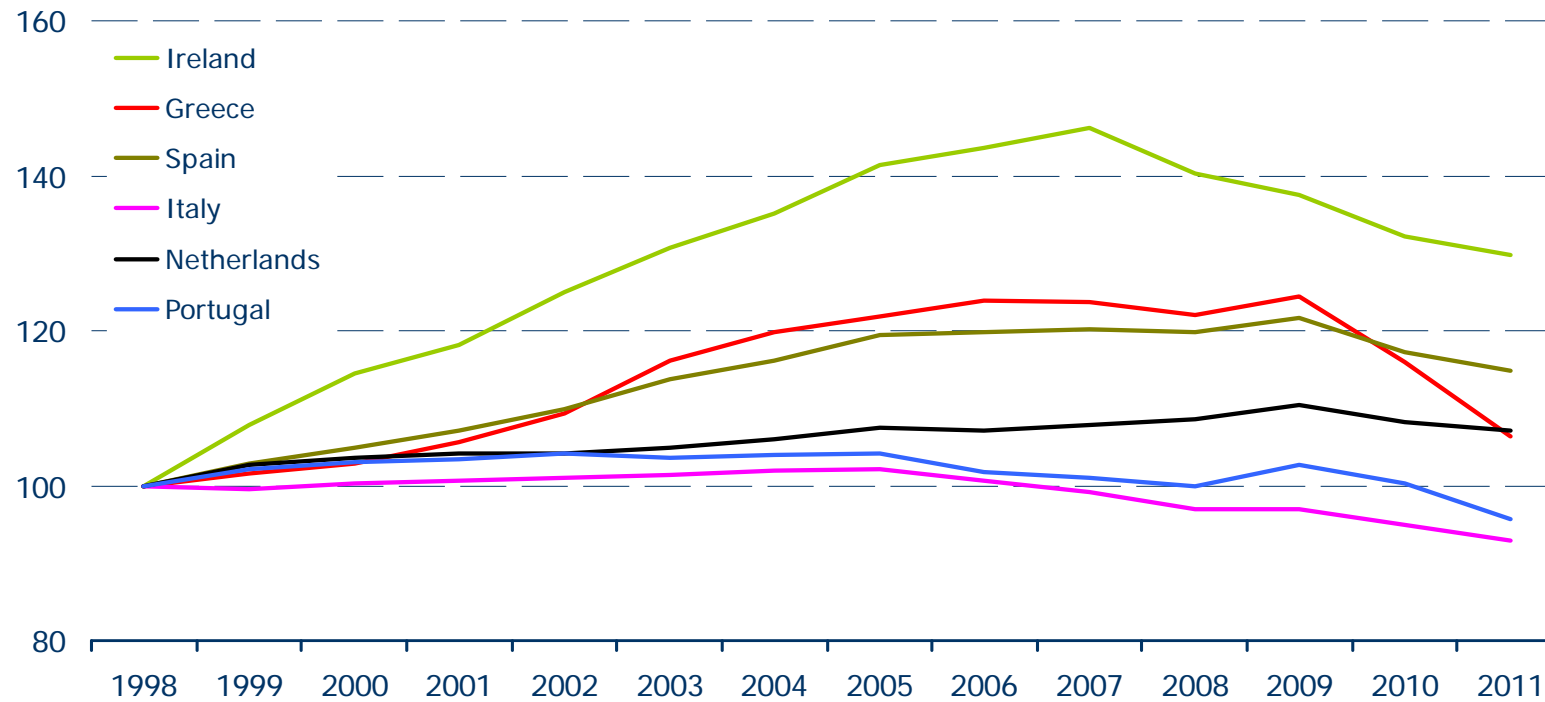


Long-term refinancing operations



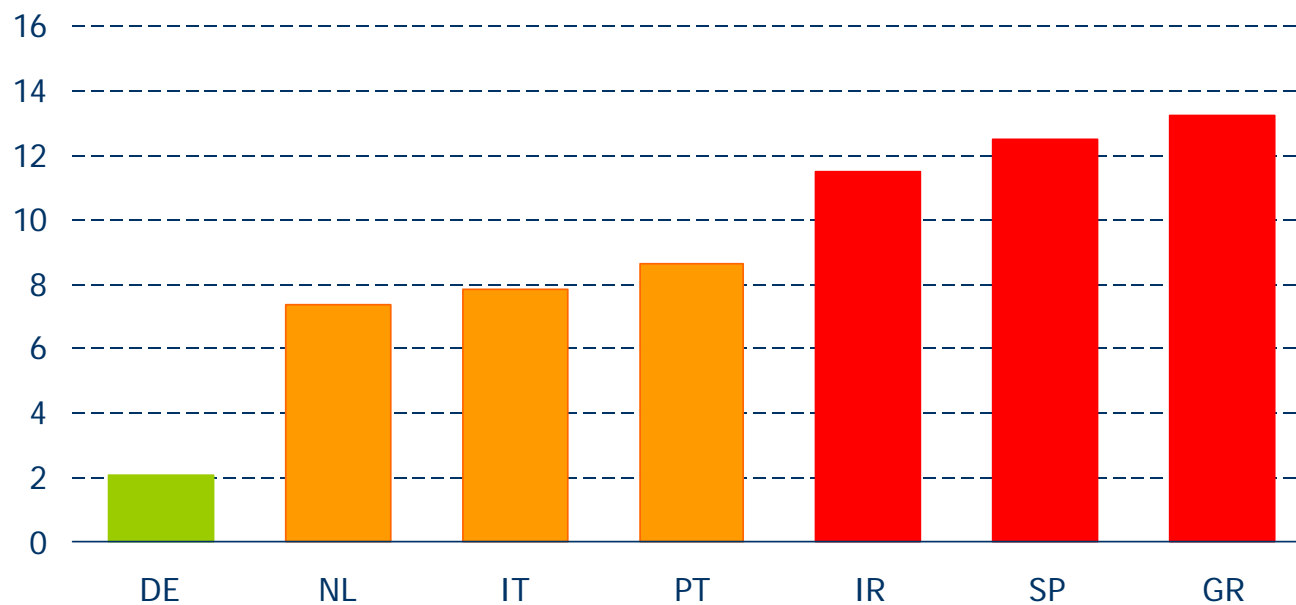
Some convergence prior to the crisis...

Cumulative growth differentials with Germany



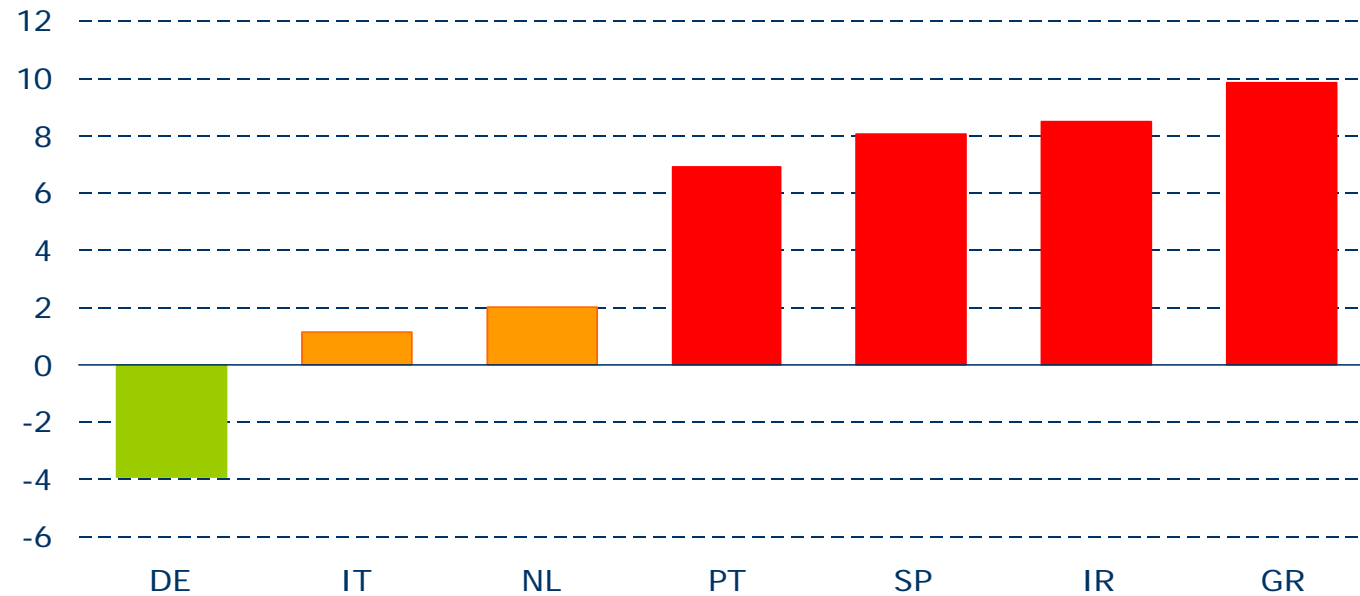
...but with borrowed money...

Average annual growth rate of credit to private sector: 2000-2011



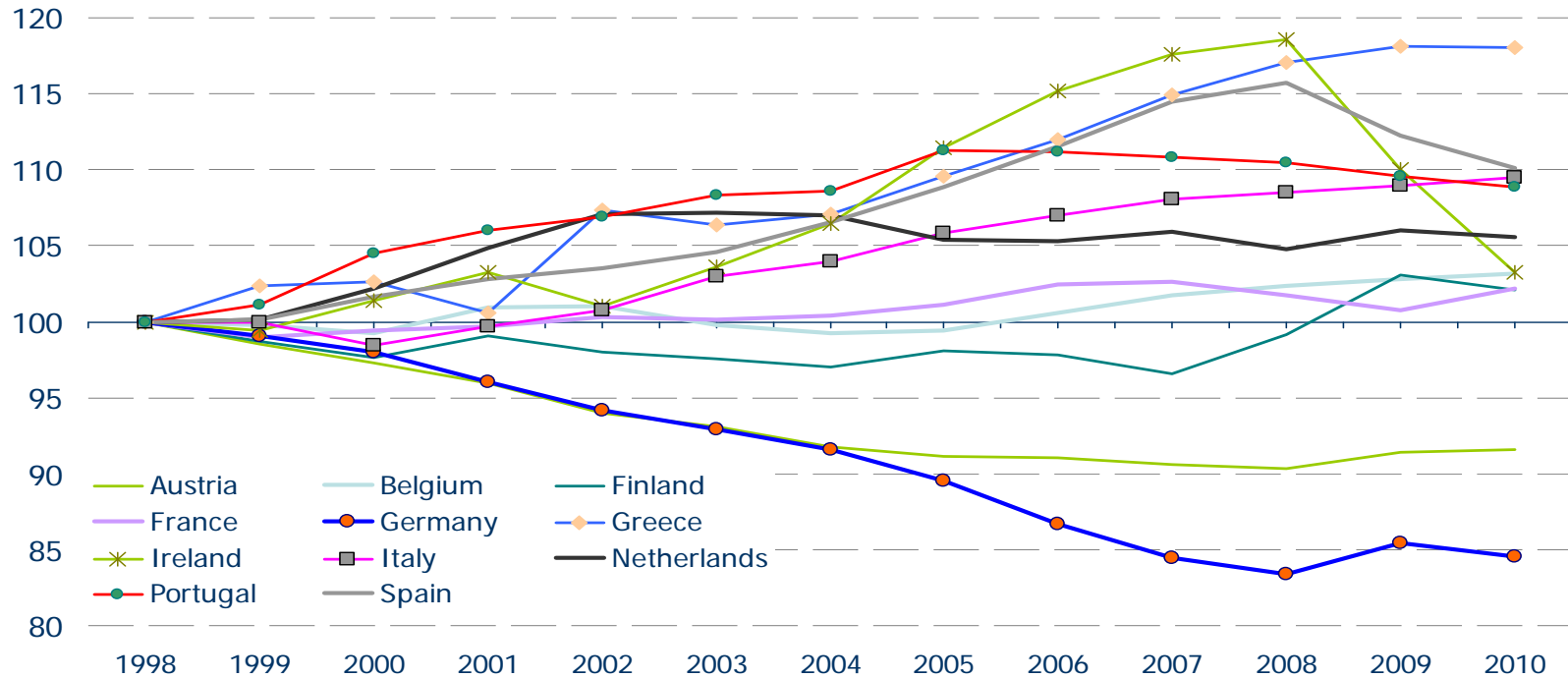
...and accompanied by inflation

Cumulative differentials compared to EMU total : 2000-2007



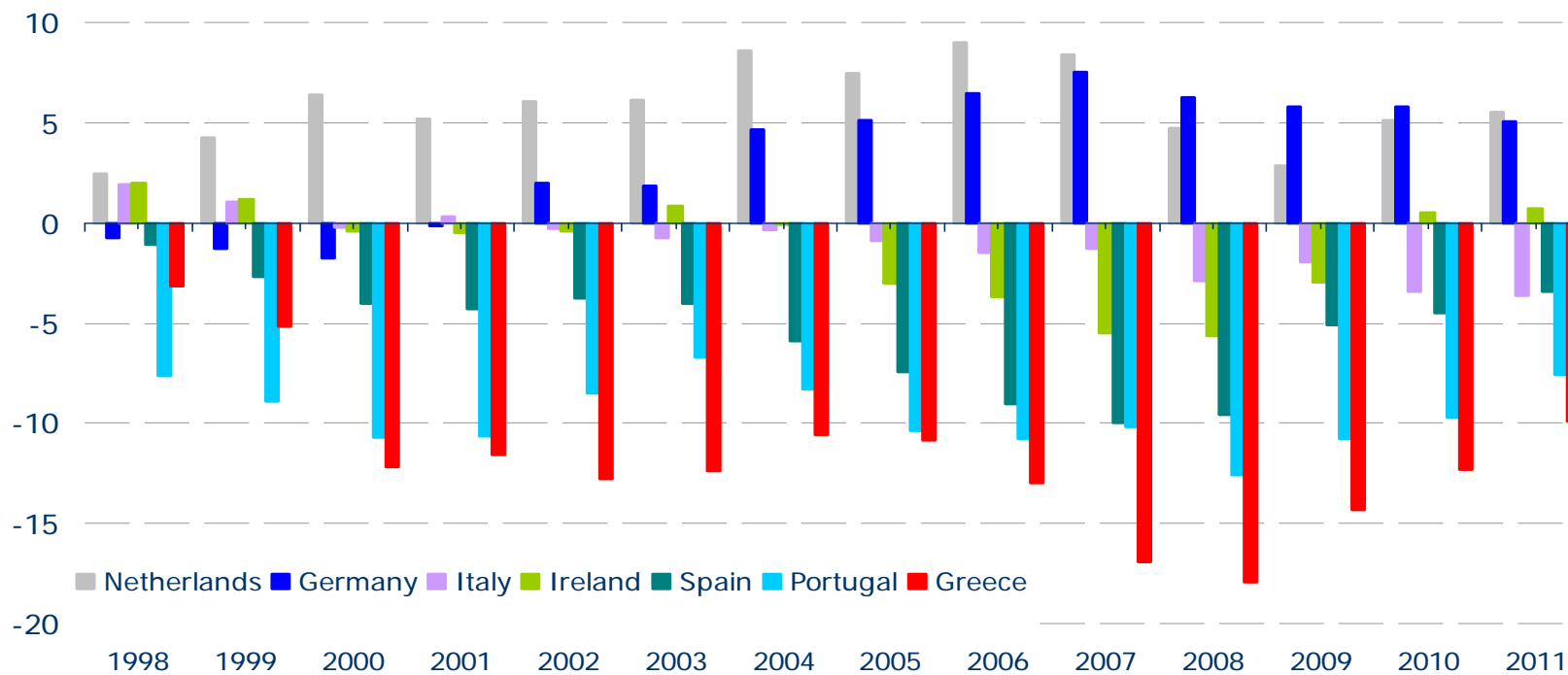
Growth of unit labour costs

relative to euro area, 1998=100

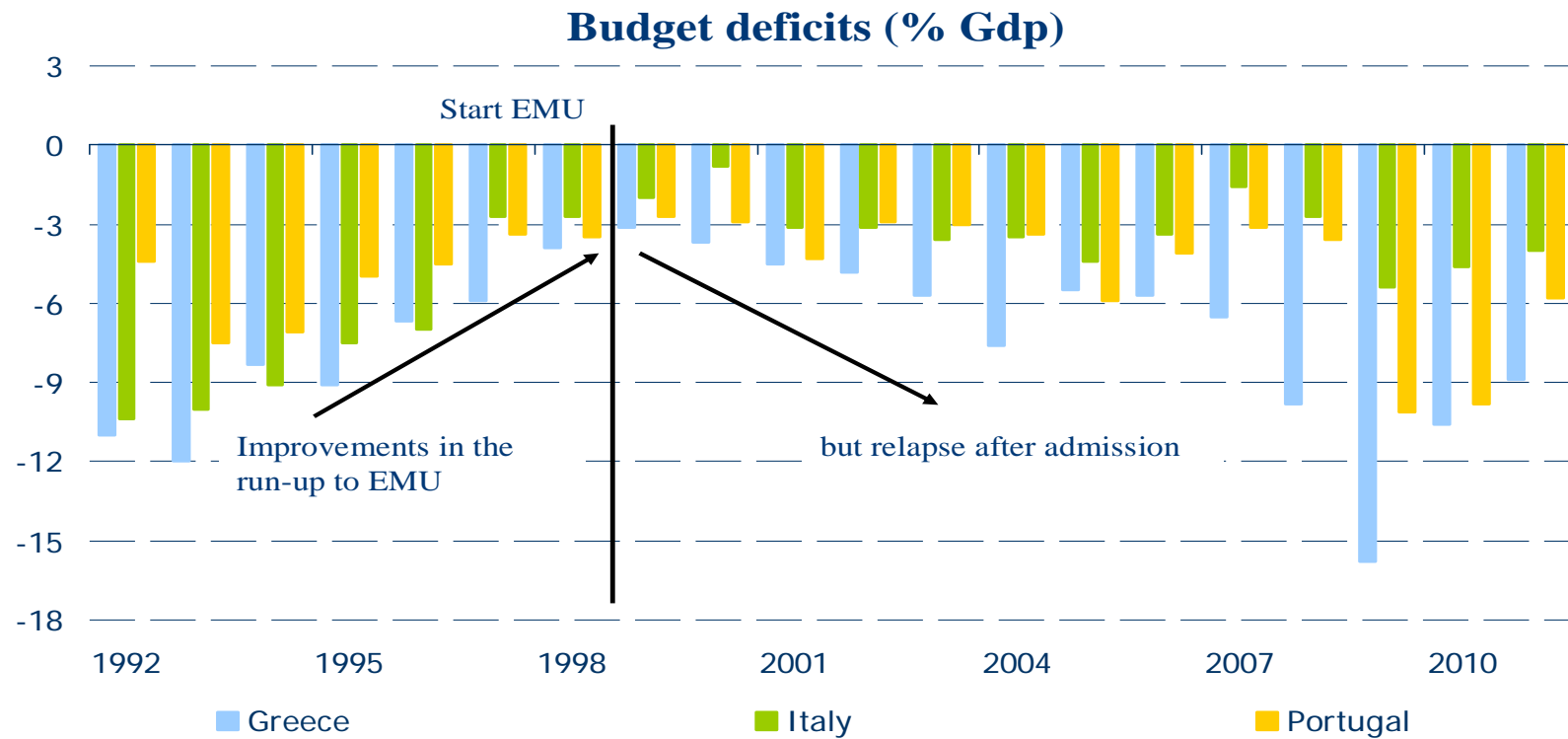


Current account balance

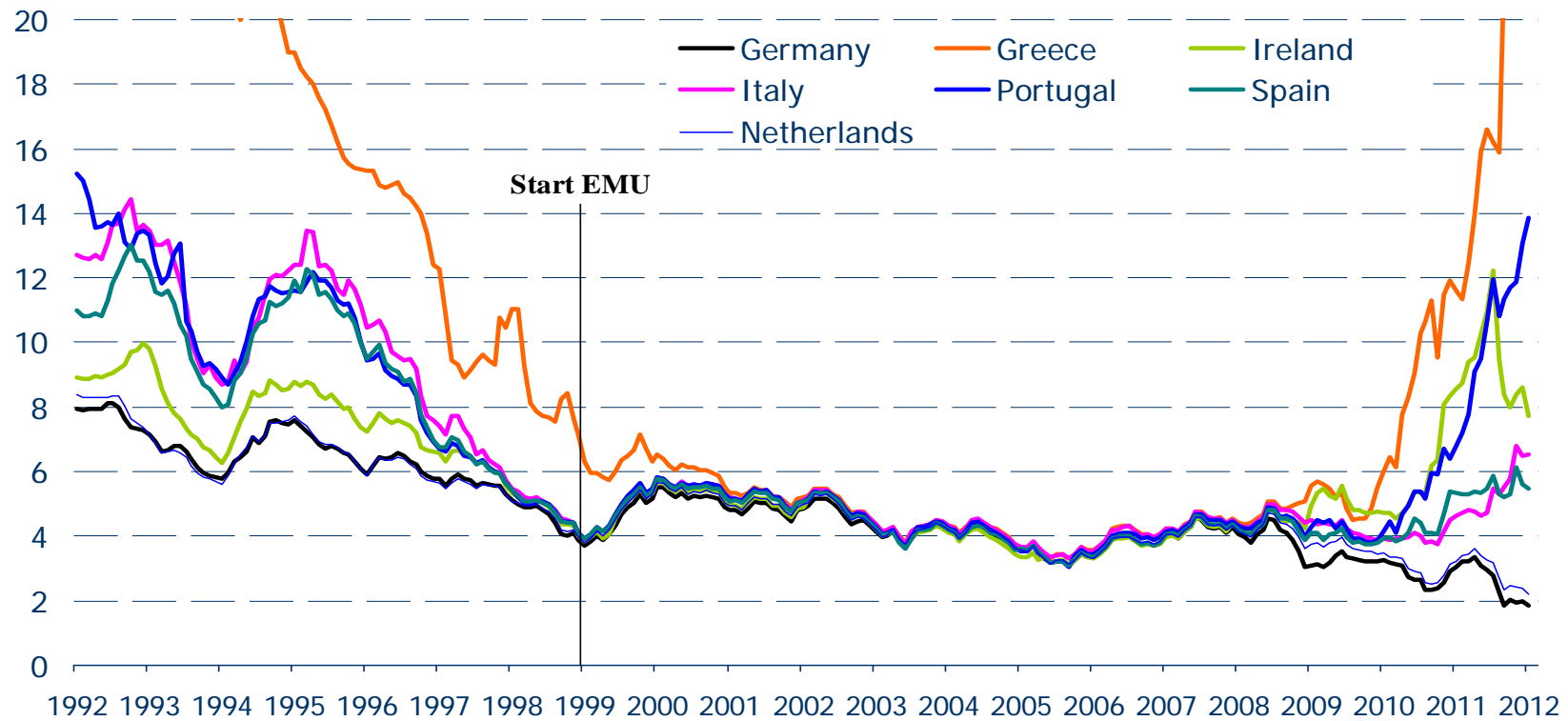
percent of GDP



Governments went back to old habits



“On/off” market discipline



A stable design of EMU

- Strengthening growth potential and competitiveness
- Politically independent enforcement of the fiscal rules, guarding the debt ceiling of 60%
- Eurobonds as the capstone of EMU?