

Governor Boštjan Jazbec Speech 10th anniversary of the introduction of the common European currency, Ljubljana, 2 February 2017

President of the Republic of Slovenia, Mr Borut Pahor, President of the European Central Bank, Mr Mario Draghi, it is my special honour to have you with us here today.

I extend a warm welcome to Minister of Finance Mrs Mateja Vranicar Erman. Also welcome to everybody who participated in and contributed to the introduction of the Euro ten years ago.

I welcome the former Prime Minister Janez Jansa and the former Governor of the Bank of Slovenia Mitja Gaspari and other honoured guests and all others present.

I am delighted that we are celebrating a key milestone in our history - the tenth anniversary of the introduction of the common European currency.

I shall start with the thought that several wise people have contributed from history which says: "To avoid criticism, say nothing, do nothing and be nothing."

I feel that this is pertinent to our position today.

In the last ten years, being the decade since the adoption of the Euro by Slovenia, we have learned a valuable lesson, not only in the Euro area but all around the world. That lesson is that the world economic crisis has exposed us all to new challenges. And to meet those challenges we have done more than simply nothing - this is the essence of the criticism which is hurled at the Bank of Slovenia, constantly - we have done a lot.

If we had not been brave and did not dare to take action and act differently to how we would have acted conventionally before the crisis, adopting new measures and in a new manner, we would not have achieved what we did. We would not be where we are now today. Neither we in Slovenia, in Europe, or elsewhere in the world would have managed to turn the tide and head in the right direction.

As the Governor I am proud of the decisions which were made by the Bank of Slovenia during the critical moments in 2013. Many things were at stake. We took appropriate steps and managed to check deposit outflow, and stabilise the banking system using measures which are now being criticised. Nevertheless, the economy has stabilised.

The measures implemented in 2013 enabled us to solve problems efficiently by ourselves and to avoid international financial assistance programmes which many had foreseen for Slovenia and sadly many had also wished for.

What we did was right and had the best possible outcome. For myself, if I had to, I would act again in exactly the same way despite the criticism which is now becoming more and more constant. I do believe that such criticism will be silenced by self-evident facts. Such facts however can only be explained to those who are open and wish to hear and understand them.

Obviously the world is different today to what it was ten years ago. We are faced with different challenges to those which were predicted at the time of entry into the Euro zone. Ten years ago we were fighting inflation - and the Central banks around the world, rigid institutions by definition, have proved in the last decade that we can react to new challenges with new measures.

Just as the central banks have adopted completely new non-standard measures to re-establish the functioning of the transmission mechanism of monetary policy, and as we in Europe have set anew the banking supervision system, other stakeholders, particularly the markets and the governments, should adapt their policies to the changed circumstances.

Crises cannot be prevented but we can learn something from them. The lesson that we must remember is: due to the complexity and co-dependence of economies, solutions must be sought outside the standard framework.

As one wise man once said: "The electric light did not come from the continuous improvement of the candle."

At the same time it is very important that actions are taken by all stakeholders. Measures are urgently needed by the Central banks but these alone are not enough.

Our society has also changed in the last ten years. We lack openness, optimism and common goals. Ten countries became members of the European Union on 1st May 2004 and in January 2007 Slovenia was the first of those new members to enter the Euro zone. As a result of our common belief that following independence and introducing Slovenia's own currency successfully, we were now able to take a new step - a step forward in the project for the introduction of the Euro which was also a success. I would like to say thank you to everyone who took part in this project.

Today we are at a new turning point, in fact several new turning points face us.

I am convinced - and I strongly believe that - that we will be meeting every ten years to celebrate the Euro. How these next decades will unfold, is something that depends very much on the people who sit here today.

We will succeed.