

**Question for written answer Z-000012/2024  
to the European Central Bank**

Rule 146

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Subject: European Central Bank vs the Bank of Japan on monetary policy effectiveness

At the hearing of the Committee on Economic and Monetary Affairs, Christine Lagarde said: ‘The decline in inflation and the anchoring of longer-term inflation expectations showed that our strong response was bearing fruit.’

In Japan, the Bank of Japan only raised interest rates in July 2024 from 0 % to 0.25 %. Inflation has also come down in the country, standing at 2.7 %.

1. What does the European Central Bank think about the transmission channels from its interest rate to energy prices, given that they were the main cause of the 2022-2023 inflationary episode?
2. Would the European Central Bank see interest rate adjustments as the appropriate response to profit-led inflation and a way to target inflationary pressures from the supply side in specific markets such as the energy sector?