

**Question for written answer Z-000011/2024
to the European Central Bank**

Rule 146

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Subject: Effectiveness of monetary policy

The European business cycle indicators for the second quarter of 2024 show ‘insufficient demand’ to be the strongest single factor limiting industrial production in the euro area. It is about six times more important than ‘financial constraints’.

Given that the excessive deficit procedure is back and, according to the *New York Times*, France alone has been asked to cut its net public spending by EUR 110 billion in 2024-2029, does the European Central Bank think it can overcompensate for a fiscal contraction? If so, how low will this rate be and for how long?