

# European Central Bank (ECB)

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## The ECB's Response to the Financial Crisis

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### Summary

The recent global financial crisis and the subsequent economic downturn have called for unprecedented policy responses by both fiscal and monetary authorities worldwide. From the onset of the financial tensions in the middle of 2007, the ECB has reacted swiftly and decisively to deteriorating economic and financial circumstances with the aim of maintaining price stability over the medium term. In addition to reducing interest rates to levels not seen in the countries of the euro area in recent decades, the Eurosystem implemented a number of non-standard monetary policy measures during the period of acute financial market tensions, namely “enhanced credit support” and the Securities Markets Programme. These exceptional and bold measures have helped to sustain financial intermediation in the euro area and have been instrumental in maintaining the availability of credit for households and companies, while remaining fully consistent with the ECB’s primary mandate of ensuring price stability in the euro area over the medium term. Given their temporary nature, some of the non-standard monetary policy measures taken by the ECB in response to the crisis have already been discontinued, whereas others will be gradually phased out in line with the normalisation of financial and economic conditions. This article explains in detail how the ECB has responded to the various phases of the financial market tensions within its medium-term oriented monetary policy strategy and describes the results of its policy actions.

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