

Klaus Regling in interview with CNBC

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Interviews

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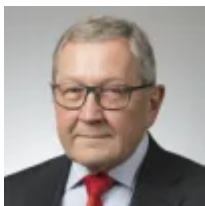
**Excerpt of interview with Klaus Regling, ESM Managing Director
CNBC, 11 April 2019**

Interviewer: Joumana Bercetche

Klaus Regling: It's all a question of how you look at things. I'm not surprised that growth is coming down, because in 2017 the growth rate in the euro area was almost twice the potential growth rate – that could not continue for very long, particularly because the output gap is now closed. So in a way, we should have expected that there was a normalisation coming, at least to the potential growth rate, which was around 1.5% in the euro area.

Now the IMF has revised down the growth rate for the euro area this year to 1.3%, that's slightly below the potential growth rate. I think there were some temporary factors, particularly in Germany in the second half of last year, which then had a negative overhang onto 2019. So my baseline scenario is the same as the IMF and ECB, that in the second half of 2019 things will improve a bit – back to normal in the sense that we will not see the growth rates of 2017 in the next 2-3 years. It's quite OK to say the best is over, but it doesn't mean there is a crisis.

Author



[Klaus Regling](#)

Managing Director (2012 - 2022)

Contacts



[Cédric Crelo](#)

Head of Communications and Chief Spokesperson

+352 260 962 205

c.crelo@esm.europa.eu



[Anabela Reis](#)

Deputy Head of Communications and Deputy Chief Spokesperson

+352 260 962 551

a.reis@esm.europa.eu



[Juliana Dahl](#)

Principal Speechwriter and Principal Spokesperson

+352 260 962 654

j.dahl@esm.europa.eu