

**МИНИСТЕРСТВО ВЫСШЕГО И СРЕДНЕГО СПЕЦИАЛЬНОГО
ОБРАЗОВАНИЯ РЕСПУБЛИКИ УЗБЕКИСТАН**



**ТАШКЕНТСКИЙ ГОСУДАРСТВЕННЫЙ ЭКОНОМИЧЕСКИЙ
УНИВЕРСИТЕТ**

Факультет: Корпоративное управление

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На тему: Aims and targets of European Central Bank (ECB)

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Plan:

Introduction

- 1) About the European Central Bank**
- 2) Aims and targets European Central Bank**
- 3) The ECB's monetary policy strategy**

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Introduction

The purpose of this independent work is to study the organization of activities of the European Central Bank, the main tasks and its goals. To achieve this goal and the most complete disclosure of the topic, in my opinion, it is advisable to consider the following issues:

- About the ECB**
- Aims and targets of European Central Bank**
- The ECB's monetary policy strategy**

1.About the European Central Bank

- The European Central Bank (ECB) is the central bank of the 19 European Union countries which have adopted the euro. Main task is to maintain price stability in the euro area and so preserve the purchasing power of the single currency.

Tasks

- The Eurosystem – which consists of the ECB and the national central banks of the euro area – carries out a number of tasks to maintain price stability.

development and implementation of the monetary policy of the euro area;

maintenance and management of the official exchange reserves of the euro area countries;

issue of euro banknotes;
establishment of basic interest rates

maintaining price stability in the eurozone, that is, ensuring inflation not exceeding 2%.

Target was developed to solve three main tasks:

ensuring the safety and reliability of interethnic bank settlements in euros in real time;

increasing the efficiency of interbank operations within the ES;

creating the technical basis for the European System of Central Banks to carry out their functions.

ECB mission

The European Central Bank and the national central banks together constitute the Eurosystem, the central banking system of the euro area. The main objective of the Eurosystem is to maintain price stability: safeguarding the value of the euro.

The European Central Bank is responsible for the prudential supervision of credit institutions located in the euro area and participating non-euro area Member States, within the Single Supervisory Mechanism, which also comprises the national competent authorities. It thereby contributes to the safety and soundness of the banking system and the stability of the financial system within the EU and each participating Member State.

The Eurosystem is responsible for:

defining and
implementing
monetary policy

conducting foreign
exchange
operations

holding and
managing the euro
area's foreign
currency reserves

promoting the
smooth operation
of payment
systems

The ECB carries out specific tasks in the areas of banking supervision, banknotes, statistics, macroprudential policy and financial stability as well as international and European cooperation.

Responsibilities

to adopt the guidelines and take the decisions necessary to ensure the performance of the tasks entrusted to the ECB and the Eurosystem;

to formulate monetary policy for the euro area. This includes decisions relating to monetary objectives, key interest rates, the supply of reserves in the Eurosystem, and the establishment of guidelines for the implementation of those decisions.

in the context of the ECB's new responsibilities related to banking supervision, to adopt decisions relating to the general framework under which supervisory decisions are taken, and to adopt the complete draft decisions proposed by the Supervisory Board under the non-objection procedure.

Governing Council

The Governing Council is the main decision-making body of the ECB. It consists of

the six members of the Executive Board, plus

the governors of the national central banks of the 19 euro area countries.



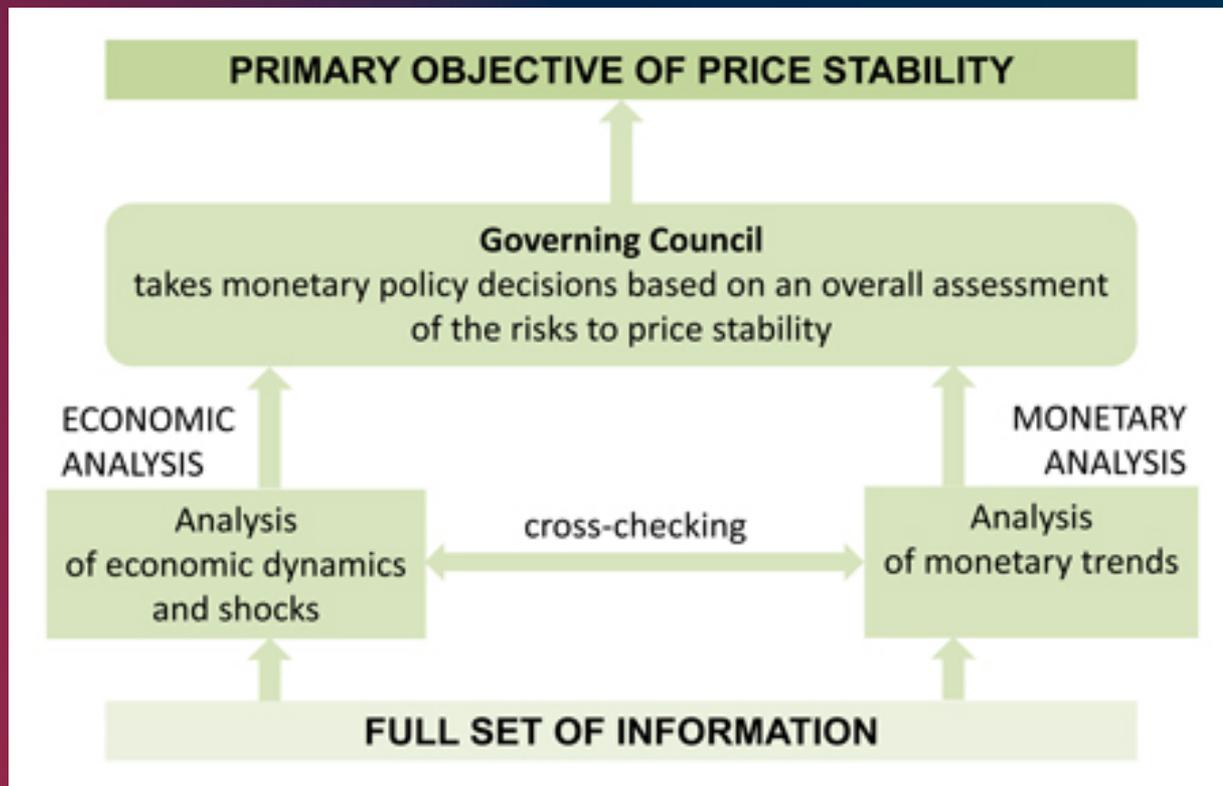
3.The ECB's monetary policy strategy

- **Primary objective**
- The primary objective of the ECB's monetary policy is to maintain price stability. This is the best contribution monetary policy can make to economic growth and job creation.
- Monetary policy operates by steering short-term interest rates, thereby influencing economic developments, in order to maintain price stability for the euro area over the medium term.

The ECB has adopted a specific strategy to ensure the successful conduct of monetary policy. The ECB has defined price stability as a year-on-year increase in the Harmonised Index of Consumer Prices (HICP) for the euro area of below 2%. In the pursuit of price stability, the ECB aims at maintaining inflation rates below, but close to, 2% over the medium term.

The strategy also includes an analytical framework for the assessment of all relevant information and analysis needed to take monetary policy decisions. This framework is based on two pillars: economic analysis and monetary analysis.

The stability-oriented monetary policy strategy of the ECB



Conclusion

- Effective centralized monetary regulation by the European Central Bank has contributed to the emergence of new trends in the economies of the euro area. One of the most noticeable consequences of the ECB is the provision of conditions for the introduction of cash euros. In this regard, it is necessary to note one of the significant integration results associated with the activities of the ECB and the introduction of the euro - the elimination of currency risks.
- This contributed to a significant deepening of the integration of financial markets and their activation, as well as the expansion of investment activities between individual countries of the euro area. Another important consequence of the growing integration is the emerging convergence of securities markets in the euro area.

List of used literature:

- <https://www.ecb.europa.eu/home/html/index.en.html>
- [ru.wikipedia.org › wiki.Европейский центральный](https://ru.wikipedia.org/wiki/Европейский_центральный_банк)