Some data
Jean Pisani-Ferry
Question: You mentioned the importance of wage and price adjustments, especially in the periphery, and given that this will probably lead to a period of disinflation, do you share the view that this means – arithmetically – that some of the core countries will actually need higher inflation in order to achieve your objective of “below, but close to, 2%”? [..]

Draghi: I think that the discussion here is like the one we are having as regards the rebalancing of growth. I think we will have to have rebalancing, with an inflation rate for the euro area which is below, but close to, 2% in the medium term. And this rebalancing should be achieved, ideally, without inflating the good performers. [..] Again, I think the solution would be to make all countries as competitive as the most competitive performer, rather than trying to bring the best performer down.

Question: Can you still reach your “below but close to 2%” goal? If everyone is at 0.5% inflation, the entire euro area will be at 0.5% inflation. So, just arithmetically, don’t some countries have to have higher rates?

Draghi: No, I don’t think so. I think we can have a 2% – or below 2% – inflationary rate for the whole euro area without the need to inflate the good performers. I think it’s a very feasible objective.

(Press conference April 2012)
Domestic demand (excl. inventories) - real annual growth

- Blue: North
- Orange: Centre
- Brown: South
South - net extra-group trade balances (bn €)