



Predsednica Republike Slovenije

NATAŠA PIRC MUSAR

**Address by the President of the Republic of Slovenia, Nataša Pirc Musar,
at an official dinner on the occasion of a meeting of the Governing Council
of the European Central Bank in Slovenia**

Ljubljana, National Gallery, 16 October 2024

Dear Governor of Bank of Slovenia, Mr Boštjan Vasle,

Dear President of the European Central Bank, Ms Christine Lagarde,

Dear Minister of Finance, Mr Klemen Boštjančič,

Dear governors of European national banks,

Distinguished Guests.

Dober večer vsem in hvala, ker ste me povabili v vašo nocojšnjo družbo. Verjetno slovenskega jezika prav pogosto ne slišite, zato vas vsaj v uvodu s ponosom pozdravljam v svojem maternem jeziku. Veseli me, da vas lahko pozdravim tu v Sloveniji prav oktobra, ki je simbolno povezan z dvema mejnikoma na področju bančništva.

I am delighted to welcome you here in Slovenia this October, which is symbolically linked to two milestones in banking. This year marks 100 years since the leaders of the savings banks of the time gathered in Milan and selected 31 October to be the World Savings Day. Since then, every year on this day, the professional and general public has been reminded of the importance of saving, which makes the work of financial intermediaries, banks and savings banks possible, while at the same time being a prerequisite for the lending and investment that pave the way for

economic growth and shared economic and social progress in every country.

In Slovenia, the beginning of October – 8 October to be precise – is associated with the commemoration of monetary independence in 1991, when the National Assembly of the Republic of Slovenia adopted the National Currency Unit Act, introducing the tolar. This was an important event for the country, which declared its independence in June of that year, especially as the old Yugoslavian currency, the dinar, lacked trust among the population. Due to the hyperinflation of the period, the Deutschmark, considered the most stable currency in Europe after the Second World War, was citizens' actual store of value.

One of the new Slovenian state's most important tasks was therefore to establish the stability of this new currency, as this would enable the country to achieve a number of economic objectives through domestic savings and the trust of foreign markets. At the same time, the new Slovenian central bank's restrictive and credible monetary policy gradually brought down inflation from the initial month-on-month rate of 22%. In doing so, it gradually increased the confidence of both the domestic population and foreign contractual partners, banks and private investors.

Slovenia joined the EU on 1 May 2004, along with nine other European countries, and was the first country in the group to meet all the criteria for adopting the euro on 1 January 2007. For a country like Slovenia, a small, open economy living on foreign markets, where the trade ratio with foreign countries exceeded 175% of GDP last year and where the share of trade with other EU Member States is well over 70%, a common currency is an important additional anchor that reduces risks while building additional faith at home and with partners abroad. It is trust that is most important in money, especially after August 1971, when US President Nixon announced that the US dollar was no longer pegged to gold and that money was being issued solely on the basis of the trust enjoyed by central banks, in effect, ex nihilo or out of nothing. Alongside all the economic attributes associated with money, two are psychological. These are fear and trust. If fear needs nothing more than words, trust requires action and the conviction that something is so. This is what makes so true the famous

saying of Latin writer Publilius Syrus, namely "Fidem qui perdit, nil potest ultra perdere". Indeed, whoever loses faith has nothing more to lose.

All this is also important for the functioning of banks, wherever they are in the world. Let us just remember how the great global financial crisis began in September 2008 with the collapse of the US bank Lehman Brothers. Let us not forget that markets remain very volatile today and there are new and new negative surprises, which, in the worst case, are also reflected in the failure of individual large banks, such as Silicon Valley Bank in the US or Credit Swiss in Switzerland last year.

Dear Ms Lagarde.

I know that, among other things, we both care for young people, their right to accessible and high-quality education, and for ensuring support for girls and women in achieving equality. When it comes to a great education, school curricula must be expanded to include new content, such as financial, media and digital literacy. That is why I gladly endorsed the initiative of the Bank of Slovenia to support the Masters of the Digital Future project, aimed at improving the financial literacy of new generations and expanding their practical competencies regarding money, banking and finance.

Smart financial planning, controlling one's spending, familiarity with various methods and forms of payment, understanding when and how to save, knowing how investments work and being aware of all the consequences of borrowing – these are not just theoretical skills but can be very useful in everyday life.

I will cite a concrete example that is already relevant today. As a result of the climate crisis, we will have to live with less goods in the future, but they will nevertheless be of a higher quality. Financial know-how will be of exceptional importance for enjoying life with less, but better. Knowing how to save and what to spend money on will therefore become even more important in the future.

Faced with considerable social and technological challenges that will require all our knowledge and skills, we must not overlook the potential of girls and women who must enjoy the same access to quality education as

boys and men. I was therefore delighted to learn that the ratio among top performers in the financial literacy project was gender-balanced.

Distinguished Guests.

I would like to conclude by sharing with you my belief that the period before us is critical for humanity; the decisions we make will have a permanent effect on our common future. Our strategic vision must be one of unity, resilience and a shared commitment to the betterment of all people. Global challenges, such as the climate crisis, food security and geopolitical tensions require our immediate attention and action.

The intertwined consequences of climate change, biodiversity loss and pollution present a major challenge for the international community. The path forward requires bold, collective action that transcends borders and politics. Realizing the right to a safe, clean, healthy and sustainable environment is therefore of key importance. Human rights and dignity must be placed at the centre of any measures to tackle the environmental crisis.

Europe set itself the goal of becoming the first zero-carbon continent by 2050. The European Green Deal brings answers and solutions for the

transformation of our societies and economies to be able to live within our limited planetary boundaries.

I am convinced that the European green transition is not only an environmental necessity, but also an economic opportunity. An opportunity for Europe to become a leader in the geostrategic race for a sustainable future and to convince others with scientifically proven facts that this is the only viable way. To lead by example in creating a climate-just, innovative and healthy green society.

And that is the expectation of those who will feel the effects of our policies and decisions the most and the longest: children and young people. We have a great responsibility to not let them down.

Thank you.