



## Remarks by Governor Makhlouf

21 June 2023

**Gabriel Makhlouf**

**Governor of the Central Bank of Ireland**

**Civil Society Roundtable**

**Wednesday, 21 June 2023**

### **Opening Remarks**

Good morning everyone,

I am delighted to welcome you here this morning to North Wall Quay.

I know some of you have attended some of our previous Roundtables and we are also welcoming some new members today.

We really appreciate you taking the time out of your busy schedules to attend in person this morning.

It's worth remembering the reason why we're here today.

The Central Bank holds these Civil Society Roundtables to engage with key national non-governmental groups.

The events have allowed us to make presentations on topics of shared interest including the role of the Central Bank, the Irish financial system, economy and issues affecting people in the community.

But more importantly, they allow us the opportunity to listen to your views and to discuss important topics with you so that we can contribute to building trust in the financial system and fostering a wider understanding of our role.

We are then in a better position to enhance our policy-making through a deeper understanding of the diverse perspectives of our stakeholders.

**Today's event is broken into two parts**, the first looking at the economic outlook. We want to hear about how the current economic environment is impacting on the people you represent; what are the biggest issues for them and what role would you like to see the Central Bank playing.

To support the discussion I've asked two of our experts to provide us with a short presentation.

**Fergal McCann** is Head of the Central Bank's Macro Financial Division and has overseen the recent publication of the Financial Stability Review a publication which sets out our evaluation of



the key risks facing the financial system, and assesses the resilience of the economy and financial system.

**Martin O'Brien** who heads our Irish Economic Analysis Division has overseen today's publication of our latest Quarterly Bulletin, which sets out our view on the latest economic developments.

Once the presentations have concluded, we will have a roundtable discussion with time to hear your views and for us to respond to your questions.

As with all of our Roundtables, we will produce a report which summarises the discussion. This will be published on the Bank's website. Importantly, the event will be run according to Chatham House rules, so comments will not be directly attributed.

I will now hand over to Fergal and Martin.

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For the **second part** of today's Roundtable we are going to look at climate change.

Climate change is one of the defining issues of our time.

Governments across the globe have made decisions that commit their societies and economies to transition to a climate neutral future. In Ireland, the government has committed to a 51% reduction in emissions by 2030, and to have net-zero emissions by no later than 2050.

Achieving this decarbonisation is very much a work in progress. I'm sure you have seen the recent media reports identifying the lack of progress in this area. For example, in the recent report by the **Environmental Protection Agency**, based on current measures, Ireland will only achieve a 29% reduction in greenhouse gas emissions by 2030, well below the 51% commitment. In the last few weeks, the **UN's Intergovernmental Panel on Climate Change (IPCC)** report stated that we are approaching irreversible levels of global heating, and that the catastrophic impacts of climate change are becoming inevitable.

As a society we face a challenge to meet our targets in addressing what is a truly global crisis. It is clear that a leap forward is needed to meet the legally binding commitments, mitigate the potential harm that will arise from climate change, and realise the significant benefits to society from transitioning to a more sustainable economy.

From the perspective of the Central Bank, the challenges associated with climate change have significant implications for the financial system, and for individual households and businesses.



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So addressing the risks associated with climate change is something that has been a key priority for us in the Central Bank for the past few years, and is something that is strongly articulated in our current 5 year Strategy.

To hear more about what the Bank is doing in respect of its mandate, I am pleased to hand the floor to **Yvonne McCarthy** who is the head of our Climate Change Unit. And following Yvonne, we will hear from **John Sammin** our Sustainability Officer, on what the Central Bank has been doing as an organisation itself in respect of climate matters.