

## ECB's message can get lost in translation

Wed Jan 4, 2006 4:02 AM ET

[Email This Article](#) | [Print This Article](#) | [RSS](#) 

### Top News

- ▶ [EU3 draft opens door to UN sanctions on Iran](#)
- ▶ [Funds pledged to fight bird flu amid Iraq fears](#)
- ▶ [Abductors threaten to kill US journalist in Iraq](#)
- ▶ **VIDEO:** [Gov't protests continue in Mongolia](#)
- ▶ **VIDEO:** [H5N1 deaths, suspected cases rise](#)
- ▶ **PICTURES:** [63rd Annual Golden Globe Awards](#)
- ▶ **PICTURES:** [Campaign Rally By Hamas Supporters in Gaza](#)

 [Get Reuters Mobile](#)

**MORE** 

By Krista Hughes

FRANKFURT (Reuters) - Quotations from German poets, Latin phrases and French idioms pepper the language of European Central Bank President Jean-Claude Trichet.

On occasions they can make his monthly news conferences on interest rates as much an exercise in linguistic guesswork as a window on the thinking of the world's number two central bank.

Clear and accurate communication is critical for any central bank in shaping how investors and dealers view the economy and how they trade stocks, bonds and currencies.

At least the U.S. Federal Reserve or the Bank of England can communicate largely in just one language: English. Although English is the ECB's working language, it has to get its message across in 20 languages of the European Union, and in the 12 countries of the euro zone -- a complex task, says Otmar Issing, ECB Executive Board member and chief economist. "Language is just one element -- each country has a different history, a different experience, the same words can unleash different reactions," he said.

Internal research has found the ECB is as good as the Fed at preparing financial markets for its interest rate decisions. This suggests that despite the pitfalls for Trichet, a Frenchman, he seems to get his message over successfully, at least to traders.

But some ECB watchers, linguists and communication experts say there are hazards in deciphering Trichet, especially in a multilingual environment.

This means the ECB faces extra hurdles when using key phrases to signal its plans, a common central banking weapon. Things can misfire in translation, and Trichet's circumlocutions and sometimes unusual syntax can make even native English speakers reach for the dictionary.

Take for instance "Brutal moves were unwelcome" -- a phrase on currency exchange rates that Trichet used two years ago to halt the euro's surge against the dollar. Did he mean cruel moves, or moves which are abrupt -- as the word "brutal" can mean in French?

Trichet also sprinkles his speech with terms from his native French such as "porte-parole" (spokesman) and "en passant" (in passing).

### EX ANTE OR A PRIORI?

Things become more complicated when he throws in some Latin. Late last year he said the ECB had not made an "ex ante" decision to engage in a series of interest rate increases.

That prompted a reporter to ask, on behalf of those whose Latin was rusty, what he meant precisely. Trichet's response was: "Ex ante means 'ex ante' in English and in Latin. In French, I would say 'a priori' and not 'ex ante', but only in French. In English it would be -- it seems to me -- 'ex ante'."

With so much money at stake, analysts on financial markets can study the smallest of words for any hints on the ECB's intentions. But even simple English words can be ambiguous.

When the ECB said in November that interest rate policy "still remains appropriate", did adding the word "still" signal a rate change was coming or that nothing was much different?

A survey of seven native English-speaking language experts and ECB watchers showed confusion over the addition of this tiny word. Three said "still" implied a time limit, which turned out to be indeed the ECB's intention as it raised interest rates the following month. But three saw no change in policy and one thought it meant rates were on hold indefinitely.

"That passed me by. The ECB never ceases to amaze me," said Lehman Bros economist Michael Hume. "What on earth do they mean? Sometimes I think they are talking to themselves."

## "FLOWERY, VERBOSE"

Ewan Pearson, from the London communications consultancy Grant Pearson Brown, said the wording of ECB policy statements read out by Trichet was clear, although a complicated sentence structure made it hard on the ear.

But Pearson, who studied three months of ECB communications, said Trichet's answers to subsequent questions were too long, averaging 120 words. Once it took him 54 words to say "No".

"Verbosity is a big problem," Pearson said. "I keep thinking of the word 'flowery'."

Outgoing U.S. Fed Chairman Alan Greenspan has also been accused of using impenetrable language and once said: "If I seem unduly clear to you, you must have misunderstood what I said."

Nevertheless, Pearson said short statements released after Fed rate decisions are a model of simplicity compared with the ECB's. "It was such a breath of fresh air to read the Fed report after fighting my way through the syrup of the ECB," he said.

"Trichet is doing a job which needs somebody of the stature, gravitas and presence of Greenspan. He's not achieving (that) and I'd say the number one reason is because of his word selection."

University of London economics professor Ron Smith said policymakers can mumble on purpose. "Very often central bankers don't want to give a very clear message because they want to convey the uncertainty, and they tend to use this rather strange language," he said.

But ambiguity carries a price. "People can misread what you are saying. And there are language disadvantages because words have different meanings which might not come across," said Andy Pharoah, head of corporate practice at marketing agency Hill & Knowlton. "If a group of native speakers don't agree on what it means, it suggests that you almost need to start a glossary."

---

## FACTBOX - A quick guide to decoding ECB language

(Reuters) - The following is a quick guide to favourite words and phrases used recently by the European Central Bank in its monetary policy statements and by its President Jean-Claude Trichet.

### FAVOURITE TRICHET PHRASES:

Ex ante - beforehand or in advance  
Porte-parole - spokesman  
En passant - in passing

### CENTRAL BANK SPEAK:

#### - ON RATES

Monetary policy - interest rates  
Give "ongoing support" to growth - are helping the economy  
Give "considerable support" to growth - are helping the economy a lot  
Rates "remain appropriate" - rates will stay on hold  
Rates "still remain appropriate" - on hold, but maybe not for much longer  
"Moderately augment" the level of rates - increase rates a little bit  
"Withdraw policy accommodation" - raise interest rates  
"Policy will remain accommodative" - rates will remain low

#### - ON INFLATION

Price risks require "vigilance" - we are worried about inflation  
"Continued vigilance" - we are still worried but don't plan urgent action  
"Particular vigilance" - we are more worried about inflation  
"Strong vigilance" - we are very worried and may act to head off inflation  
Balance of risks "to the upside" - prices might rise more than expected  
"Significant upside risks" - prices could well rise more than expected  
"Increased upside risks" - prices are likely to rise more than expected

#### - ON ECONOMIC GROWTH

Balance of risks "on the downside" - growth could be weaker than expected  
Available data are "mixed" - growth outlook is uncertain  
Growth "could improve" - growth outlook is looking up a bit  
Growth is "currently strengthening" - growth outlook is quite good and improving