



House of Commons
Treasury Committee

**Re-appointment of
Dr Gertjan Vlieghe to
the Bank of England
Monetary Policy
Committee**

Fourteenth Report of Session 2017–19



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*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 23 May 2018*

The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

Current membership

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Mr Simon Clarke MP](#) (*Conservative, Middlesbrough South and East Cleveland*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/treascom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), George James (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Carolyn Draper (on secondment from the Financial Conduct Authority), Alexander Knight (on secondment from the National Audit Office) and Mei Jie Wang (on secondment from the Prudential Regulation Authority)

Contacts

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Introduction

1. The Treasury announced the re-appointment of Dr Vlieghe as an external member of the Monetary Policy Committee (MPC) of the Bank of England on 30 January 2018. His re-appointment takes effect from 1 September 2018 for a period of three years.¹
2. In this report, the Committee has considered the suitability of Dr Vlieghe for this continuing role against the criteria of personal independence and professional competence.
3. The Committee took oral evidence from Dr Vlieghe on 22 May 2018. He provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Dr Vlieghe for this evidence.

1 HM Treasury, [Gertjan Vlieghe re-appointed to the Monetary Policy Committee](#), 30 January 2018

The re-appointment of Dr Gertjan Vlieghe

Background on Dr Gertjan Vlieghe

4. Dr Vlieghe first joined the Monetary Policy Committee in September 2015. Prior to that appointment, Dr Vlieghe had been a partner and senior economist at Brevan Howard Asset Management from October 2007. He was a Director, European Fixed Income and Relative Value Research, at Deutsche Bank between 2005 and 2007. He worked at the Bank of England between 1998 and 2005, where one of his roles was as Economic Assistant to former Governor Mervyn King. He holds both a PhD and MSc from the London School of Economics. Alongside his role on the Monetary Policy Committee, Dr Vlieghe is an Executive Fellow of Economics at the London Business School where he teaches two postgraduate courses per year that cover the role of financial institutions and central banks in the global economy.

Oral evidence

5. In oral evidence, the Committee questioned Dr Vlieghe about the work of the Monetary Policy Committee. Topics covered during the session included:

- his experience as a member of the MPC;
- differences between his views and the collective MPC forecast, and whether any constraints restrict discussion;
- contact between the Financial Policy Committee and the Monetary Policy Committee;
- the framework for considering the effects of the UK leaving the European Union;
- potential further transparency around the MPC's view of the future path for Bank rate;
- structural change in the UK economy, and its global position;
- forecasts around the UK's exit from the European Union;
- the reasons why Dr Vlieghe has mostly not voted for a rise in interest rates in recent times;
- the effects of an extended period of low interest rates;
- the impact of quantitative easing;
- the impact of potential tariff changes on the forecast for the UK economy;
- explanations for the path of productivity growth;
- forecasting productivity growth; and
- mismeasurement of productivity growth.

6. The Committee also took account of evidence given by Dr Vlieghe during its hearing on the Bank of England's May 2018 Inflation Report.

Conclusion

7. The Committee is satisfied that Dr Vlieghe has the professional competence and personal independence to be an external member of the Monetary Policy Committee of the Bank of England. We wish him every success in his continuing role.

Formal minutes

Tuesday 23 May 2018

Members present:

Nicky Morgan, in the Chair

Rushanara Ali

Stewart Hosie

Mr Simon Clarke

Mr Alister Jack

Draft Report (*Re-appointment of Dr Gertjan Vlieghe to the Bank of England Monetary Policy Committee*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 7 read and agreed to.

Resolved, That the Report be the Fourteenth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 5 June at 9.45 a.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 22 May 2018

Dr Gertjan Vlieghe, Member of the Monetary Policy Committee, Bank of England

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

RGV numbers are generated by the evidence processing system and so may not be complete.

- 1 Gertjan Vlieghe ([RGV0001](#))
- 2 Gertjan Vlieghe ([RGV0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England	HC 472
Second Report	Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee	HC 471
Third Report	The Solvency II Directive and its impact on the UK Insurance Industry	HC 324 (HC 863)
Fourth Report	Transitional arrangements for exiting the European Union	HC 473 (HC 850)
Fifth Report	Autumn Budget 2017	HC 600 (HC 757)
Sixth Report	Appointment of Elisabeth Stheeman to the Financial Policy Committee	HC 758
Seventh Report	Student Loans	HC 478 (HC 995)
Eighth Report	Appointment of Charles Randell as Chair of the Financial Conduct Authority and the Payment Systems Regulator	HC 838
Ninth Report	Childcare	HC 757
Tenth Report	Re-appointment of Alex Brazier to the Financial Policy Committee	HC 936
Eleventh Report	Re-appointment of Donald Kohn to the Financial Policy Committee	HC 937
Twelfth Report	Re-appointment of Martin Taylor to the Financial Policy Committee	HC 938
Thirteenth Report	The Motability Scheme	HC 847
Fourteenth Report	Re-appointment for Gertjan Vlieghe to the Monetary Policy Committee	HC 1056
First Special Report	Transitional arrangements for exiting the European Union: Government Response to the Treasury Committee's Fourth Report	HC 850
Second Special Report	The Solvency II Directive and its impact on the UK Insurance Industry: Bank of England Response to the Committee's Third Report of session 2017–19	HC 863
Third Special Report	Autumn Budget 2017: Government and Office for Budget Responsibility responses to the Treasury Committee's Fifth Report	HC 757
Fourth Special Report	Student Loans: Government and Office for National Statistics responses to the Committee's Seventh Report	HC 995