

Press Release

Zurich, 8 September 2022, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 8 September 2022 is 0.53. At today's meeting, the ECB's Governing Council communicated that inflation is far too high and is likely to stay above the ECB's target for an extended period.

The Governing Council decided to raise the key ECB interest rates by 0.75 percentage points. The council also expects that more rate hikes in the next several meetings will be necessary to dampen demand.

According to Eurostat, Euro area annual HICP inflation was 9.1% in August. Inflation is driven up by energy and food prices, demand pressures in some sectors owing to the reopening of the economy, and supply bottlenecks. Inflation pressures have broadened and intensified. Some recent upward revisions to longer-term inflation expectations warrant continued monitoring by the Governing Council. This development is reflected in a strong upward revision of the ECB's inflation projections: Eurosystem staff projections foresee inflation at 8.1% in 2022, 5.5% in 2023 and 2.3% in 2024 (June projections: 6.8% in 2022, 3.5% in 2023 and 2.1% in 2024).

Recent Developments

Date	KOF MPC	MRF*
03 Feb 2022	0.15	0.00
10 Mar 2022	0.26	0.00
14 Apr 2022	0.51	0.00
09 Jun 2022	0.20	0.00
21 Jul 2022	0.53	0.50
08 Sep 2022	0.53	1.25

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

