

Press Release

Zurich, 15 December 2022, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 15 December 2022 is 0.26. At today's meeting, the ECB's Governing Council communicated that inflation is expected to stay above the ECB's inflation target until 2025.

The Governing Council decided to raise the key ECB interest rates by 0.5 percentage points. The council also expects that rates will have to be raised significantly further. Balance sheet reduction is starting in March at a monthly pace of 15 bn. Euros.

According to Eurostat's flash estimate, Euro area annual HICP inflation was 10.0% in November, down from 10.6% in October. The main reason for this decline was energy price inflation. However, high inflation is supported by supply bottlenecks, pent-up demand and expected above normal wage increases. This development is reflected in a strong upward revision of the ECB's inflation projections: Eurosystem staff projections foresee inflation at 8.4% in 2022, 6.3% in 2023 3.4% in 2024 and 2.3% in 2025 (June projections: 8.4% in 2022, 5.5% in 2023 and 2.3% in 2024).

Recent Developments

Date	KOF MPC	MRF*
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
27 Oct 2022	0.49	2.00
15 Dec 2022	0.26	2.50

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

