

Press Release

Zurich, 12 December 2019, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 12 December 2019 is 0.25. Given a subdued inflation outlook, the ECB reiterated the need for a highly accommodative monetary policy stance for a prolonged period of time.

At today's meeting, the ECB's Governing Council decided to keep the key ECB interest rates unchanged. The ECB expects them to remain at their present or lower levels until the inflation outlook has robustly converged to the ECB's aim.

According to Eurostat's flash estimate, Euro area annual HICP inflation was 1.0% in November 2019, up from 0.7% in October. This development reflected mainly higher services and food price inflation. Headline inflation is expected to increase somewhat in the coming months. Measures of underlying inflation remain muted and indicators of inflation expectations stand at low levels. Weaker growth momentum is delaying the pass-through from tighter labour markets to inflation. Compared to the economic projections from September, the inflation outlook is nearly unchanged. Eurosystem staff macroeconomic projections foresee inflation at 1.2% in 2019, 1.1% in 2020, 1.4% in 2021 and 1.6% in 2022 (June 2018 projections 1.2% in 2019, 1.0% in 2020 and 1.5% in 2021).

Recent Developments

Date	KOF MPC	RDF*
10 Apr 2019	0.31	-0.40
06 Jun 2019	0.44	-0.40
25 Jul 2019	0.15	-0.40
12 Sep 2019	-0.15	-0.50
24 Oct 2019	0.21	-0.50
12 Dec 2019	0.25	-0.50

*ECB Rate on the Deposit Facility

KOF MPC and ECB Main Refinancing Rate

