

# Press Release

Zurich, 29 October 2020, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 29 October 2020 is 0.00. At today's meeting, the ECB's Governing Council communicated that it will recalibrate its instruments to counteract the impact of the pandemic on the projected inflation path in December.**

At today's meeting, the Governing Council decided to keep the key ECB interest rates unchanged.

According to Eurostat's flash estimate, Euro area annual HICP inflation was -0.3% in September 2020, down from -0.2% in August. The ECB expects that, given oil price dynamics and the temporary reduction in German VAT, headline inflation is likely to remain negative until early 2021. In the near term, weak demand, notably in the tourism and travel-related sectors, as well as slack in the labor market and a higher external value of the euro keep underlying inflation. Once the effects of the pandemic fade, inflation is expected to recover due to an increase in demand, supported by accommodative fiscal policies.

### Recent Developments

Date	KOF MPC	RDF*
12 Mar 2020	0.21	-0.50
30 Apr 2020	-0.35	-0.50
04 Jun 2020	-0.74	-0.50
16 Jul 2020	-0.38	-0.50
10 Sep 2020	-0.21	-0.50
29 Oct 2020	0.00	-0.50

\*ECB Rate on the Deposit Facility

### KOF MPC and ECB Main Refinancing Rate

