

# Press Release

Zurich, 21 January 2021, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 21 January 2021 is 0.00. At today's meeting, the ECB's Governing Council has reconfirmed the need for a very accommodative monetary policy stance.**

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 December 2020, unchanged from November. The ECB expects that, given oil price dynamics and the end of the temporary reduction in German VAT, headline inflation is likely to increase in the coming month. However, weak demand, notably in the tourism and travel-related sectors, as well as slack in labor markets and a higher external value of the euro keep underlying inflation pressure subdued. 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*
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
10 Dec 2020	-0.21	-0.50
21 Jan 2021	0.00	-0.50

\*ECB Rate on the Deposit Facility

### KOF MPC and ECB Main Refinancing Rate

