

# Press Release

Zurich, 16 December 2021, 5.30 p.m.

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 16 December 2021 is -0.03. At today's meeting, the ECB's Governing Council confirmed the need for an ongoing monetary policy accommodation so that inflation stabilizes at the inflation target.**

The Governing Council noted progress towards its medium-term inflation target permitting a step-by-step reduction in the pace of its asset purchases over the coming quarters. Nonetheless, the ECB stresses the need for an ongoing accommodative monetary policy stance to stabilize inflation at 2% over the medium term. The key ECB interest rates as well as its forward guidance remain unchanged.

According to Eurostat, Euro area annual HICP inflation was 4.9% in November. The ECB expects inflation to remain elevated in the next months, but to decline gradually in the course of next year. The recent upswing of inflation is primarily driven by rising energy prices, a demand outpacing constrained supply in some sectors and the reversal of the temporary VAT reduction in Germany. Hence, the ECB's inflation forecast will remain above two percent for most of 2022, but price pressures from supply bottlenecks will subside gradually and energy prices will stabilize.

### Recent Developments

Date	KOF MPC	RDF*
22 Apr 2021	-0.07	-0.50
10 Jun 2021	-0.34	-0.50
22 Jul 2021	0.24	-0.50
09 Sep 2021	0.39	-0.50
28 Oct 2021	0.19	-0.50
16 Dec 2021	-0.03	-0.50

\*ECB Rate on the Deposit Facility

### KOF MPC and ECB Main Refinancing Rate

