

Press Release

Zurich, 4 May 2023, 5.30 p.m.

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 4 May 2023 is 0.19. At today's meeting, the ECB's Governing Council communicated that the inflation outlook continues to be too high for too long.

The Governing Council decided to raise the three key ECB interest rates by 25 basis points. The Council also expects to discontinue the reinvestments under the Asset Purchase Programme (APP) as of July 2023.

According to Eurostat's flash estimate, annual HICP inflation in the euro area was 7.0% in April, up from 6.9% in March. Underlying inflation remains high. While industrial goods inflation has declined, services inflation has increased. However, price pressures are exacerbated by high energy costs, which are spilling over into the overall economy. Pent-up demand and robust labour markets continue to drive up wages and inflation. In some sectors, the supply-demand imbalance and uncertainty about inflation have allowed companies to increase their profit margins. Some measures of longer-term inflation expectations have risen slightly and should continue to be monitored.

Recent Developments

Date	KOF MPC	MRF*
08 Sep 2022	0.53	1.25
27 Oct 2022	0.49	2.00
15 Dec 2022	0.26	2.50
02 Feb 2023	-0.04	3.00
16 Mar 2023	0.20	3.50
04 May 2023	0.19	3.75

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

