

Press Release

Zurich, 7 March 2024, 5.30 pm

KOF Monetary Policy Communicator for the Euro Area

The KOF MPC figure for 7 March 2024 is -0.39. At today’s meeting, the ECB’s Governing Council decided to keep the three key ECB interest rates unchanged.

The ECB’s Governing Council recognizes that inflation has declined further over the course of the past two months. However, the Council insists that domestic price pressures remain high. Therefore, the Governing Council considers that maintaining the key ECB interest rates at current levels for a sufficiently long duration will contribute to returning to the ECB’s two per cent medium-term target in a timely manner.

Annual HICP inflation in the euro area has declined to 2.8% in January and has decreased further to 2.6% last month. For example, food price inflation further declined to 5.6% in January and to 4.0% in February. Energy prices also edged down but slower than at the end of last year. Goods inflation declined to 2.0% and 1.6% in January and February respectively. Services inflation appears to be stickier, barely decreasing to 3.9% in February from three consecutive readings at 4.0%. Domestic price pressures remain elevated, due to falling labour productivity and strong wage growth. Most measures of longer-term inflation expectations currently stand at around 2%.

Recent Developments

Date	KOF MPC	MRF*
27 Jul 2023	0.25	4.25
14 Sep 2023	0.09	4.50
26 Oct 2023	0.29	4.50
14 Dec 2023	0.00	4.50
25 Jan 2024	0.09	4.50
07 Mar 2024	-0.39	4.50

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

