

# Press Release

Zurich, 18 July 2024, 5.30 pm

## KOF Monetary Policy Communicator for the Euro Area

**The KOF MPC figure for 18 July 2024 is 0. At today’s meeting, the ECB’s Governing Council decided to keep the three key ECB interest rates unchanged.**

The ECB’s Governing Council has paused its recently initiated easing cycle by keeping its three key ECB interest rates unchanged. This decision is in line with the Governing Council’s expectation that inflation will fluctuate around current levels for the remainder of 2024 and with domestic price pressures still elevated.

Annual HICP inflation in the euro area has decreased to 2.5% in June, a 0.1 percentage point decrease from May. Food price inflation decreased to 2.4% in June from 2.6% in May, while energy prices remained roughly constant. Similarly, goods as well as services inflation did not change with readings at 0.7% and 4.1% respectively. Wages rising at a high rate and a weak productivity have contributed to an increase in unit labour costs. Labour cost growth is expected to remain high over the near term, but wage increases are likely to slow down next year. Despite contracting profits offsetting wage growth, domestic inflation remains elevated. Most measures of longer-term inflation expectations currently stand at around 2%.

### Recent Developments

Date	KOF MPC	MRF*
14 Dec 2023	0.00	4.50
25 Jan 2024	0.09	4.50
07 Mar 2024	-0.39	4.50
11 Apr 2024	-0.26	4.50
06 Jun 2024	0.00	4.25
18 Jul 2024	0.00	4.25

\*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

