

Press Release

KOF Monetary Policy Communicator for the Euro Area

Thursday, 12 January 2012

The KOF MPC figure for 12 January 2012 is 0.0. Inflationary pressures as communicated by the ECB continue to remain broadly balanced.

At today's meeting the ECB Governing Council decided to keep the key ECB interest rate unchanged at 1.00%.

The December Eurostat's flash estimate was 2.8%. This decline was expected and reflects downward base effects stemming from energy prices. The ECB foresees annual HICP inflation to stay above 2% over the coming months before declining in the course of 2012 to below 2% owing to weaker growth in the euro area and globally. Risks to the medium-term outlook for price developments are broadly balanced. On the upside, they relate to increases in indirect taxation and administered prices owing to the need for fiscal consolidation in the upcoming years. The main downside risks relate to the impact of weaker than expected economic growth in the euro area and globally.

Recent Developments

Date	KOF MPC	MRF*
04 Aug 2011	0.34	1.50
08 Sep 2011	0.00	1.50
06 Oct 2011	0.00	1.50
03 Nov 2011	-0.21	1.25
08 Dec 2011	0.09	1.00
12 Jan 2012	0.00	1.00

*ECB Main Refinancing Rate

KOF MPC and ECB Main Refinancing Rate

