



EUROPEAN CENTRAL BANK

EUROSYSTEM

# The ECB's monetary policy strategy review

IMFS Policy Webinar

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# Process

- Outcome announced on 8 July 2021
- Launched in January 2020
- 13 Eurosystem work streams; 18 Occasional Papers
- Three decision documents:
  1. [Monetary policy strategy statement](#)
  2. [Overview note](#)
  3. [Climate change action plan](#)

# The monetary policy strategy statement

1. Changes since 2003
2. The Treaty basis
3. The appropriate price measure
4. The importance of an inflation buffer
5. The quantitative inflation target
6. Taking into account the effective lower bound
7. The medium-term orientation
8. Monetary policy instruments
9. The integrated analytical framework
10. Climate change
11. Communication
12. A regular review cycle

# Rate forward guidance

“In support of its symmetric two per cent inflation target and in line with its monetary policy strategy,

the Governing Council expects the key ECB interest rates to remain at their present or lower levels

until it sees inflation reaching two per cent well ahead of the end of its projection horizon

and durably for the rest of the projection horizon,

and it judges that realised progress in underlying inflation is sufficiently advanced to be consistent with inflation stabilising at two per cent over the medium term.

This may also imply a transitory period in which inflation is moderately above target.”