



INFLATION MONITOR

March 17, 2025

Economic Analysis and Research Department

Macroeconomic indicators:

- **Euro area:** HICP headline inflation ticked down to 2.4% in February 2025 from 2.5% in January, a move attributed to a significant decline in energy inflation and lower services inflation. Core inflation (HICP excluding energy and food) also declined to 2.6% in February after having remained at 2.7% during the previous five months.
- **US:** CPI inflation eased to 2.8% in February 2025 from 3.0% in January 2025. Core CPI inflation slowed to 3.1% in February 2025, from 3.3% in January 2025.
- **Greece:** HICP headline inflation declined to 3.0% in February 2025 from 3.1% in January, as declines in the inflation rates of unprocessed food, energy and services were partly offset by an increase in processed food inflation. Core inflation also declined, receding to 4.2% in February 2025 from 4.4% in January. Core inflation in Greece continues exhibiting a significant positive difference of 1.6 percentage points compared to the euro area. Greece's compensation per employee growth slowed further in 2024:Q4, thus converging to euro area's rates.
- Labour market tightness in the euro area is slowly easing.
- From mid-February 2025, commodity prices have mostly moved downwards except for metals.

Market-based indicators:

- **Euro area bond yields rose**, supported by increases in both the inflation-expectations component and the real-yields component, after the announced revision in the borrowing rules in connection to plans for defense spending increases in the EU countries; **US bond yields fell**, driven by declines in both real yields and inflation expectations, as consumer spending and other economic activity readings in the US surprised on the downside.
- **Market-based expectations for policy rates in the euro area remained broadly unchanged, while in the US they were corrected downwards.**
 - The ECB has, so far in 2025, reduced rates by 50 bps following total rate cuts by 100 bps in 2024. Until the end of 2025, markets expect that the ECB will continue cutting its rates; for April's GovC the ECB is seen as equally likely to cut rates by 25 bps or hold them at their current levels, while one month ago the case of a rate cut by 25 bps was seen as more likely than no change. Until the end of 2025, the ECB is expected to proceed to further rate cuts of 50 bps; however, the case for just one rate cut of 25 bps by end 2025 is seen now as more likely than one month ago.
 - The Fed kept the Fed funds rate (FFR) unchanged in January 2025, following rate cuts of a total of 75 bps in 2024. Markets do not expect a rate change by the Fed in the next meeting of March 18-19th. Until the end of 2025, rate cuts of 75 bps are seen likely, constituting a revision downwards of the outlook of Fed's rates, vis-à-vis the expectation for total rate cuts of 25 to 50 bps one month ago.

Key statements and news:

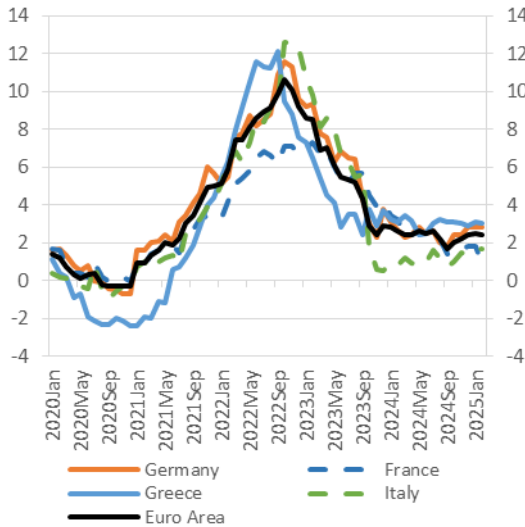
- On 6 March 2025, the ECB's GovC decided to lower the three key ECB interest rates by 25 basis points, bringing the deposit facility rate (DFR) to 2.50%; the monetary policy statement reiterated that "*the disinflation process is well on track*", adding, after a total of 150 bps of rate cuts, that monetary policy "*is becoming meaningfully less restrictive*".
- Fed Chair J. Powell said that despite increased uncertainty, the US economy "*continues to be in a good place*" allowing Fed time to assess incoming information from the new US administration.

Section 1: HICP inflation developments

- Inflation in the euro area has hovered around 2.5% in early 2025, slightly above the rate seen in 2024Q4. Core inflation remains at elevated levels moving sideways since the first quarter of 2024.
- In Greece, since the second half of 2024, headline inflation continues to move sideways. Core inflation remains elevated and continues exhibiting a significant positive difference to the euro area.

HICP Headline inflation for selected euro area countries
(annual % changes)

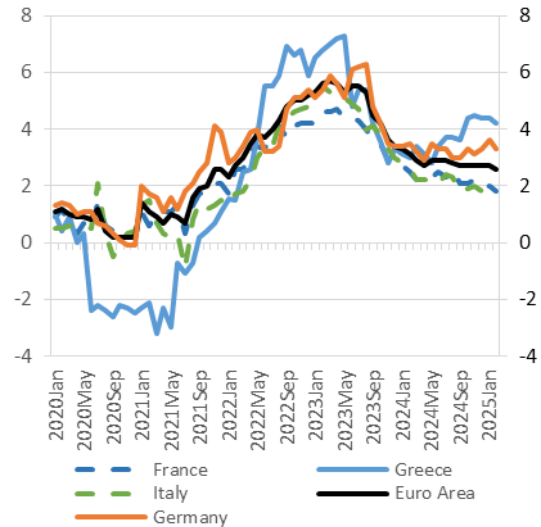
The disinflation process has been modest since early 2024



Source: Eurostat. Latest observation: February 2025.

Core inflation for selected euro area countries HICP excluding energy & food
(annual % changes)

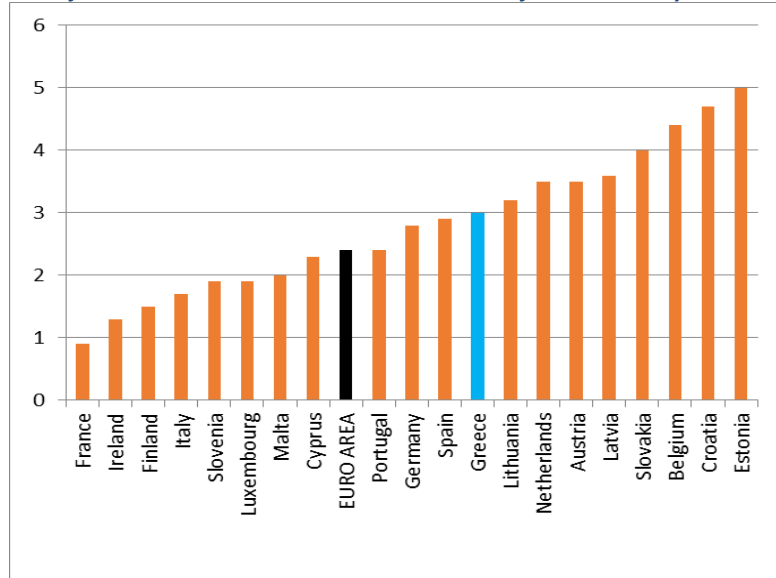
... while core inflation remains at elevated levels.



Source: Eurostat. Latest observation: February 2025.

HICP Headline inflation for the euro area countries – February 2025
(annual % changes)

Inflation in Greece has been above euro area inflation since July 2024.



Source: Eurostat.

Price developments in the euro area and Greece

(annual % changes)

Core inflation remains at elevated levels due to increased services inflation.

EURO AREA	2025 weights (%)	2022	2023	2024	2024				2024					2025	
					Q1	Q2	Q3	Q4	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	8.4	5.4	2.4	2.6	2.5	2.2	2.2	2.2	1.7	2.0	2.2	2.4	2.5	2.4
Goods	54.37	11.9	5.7	1.1	1.5	1.3	0.6	0.8	0.5	0.0	0.4	0.9	1.2	1.4	1.3
Processed food (including alcohol and tobacco)	15.04	8.6	11.4	3.2	4.4	2.9	2.7	2.8	2.7	2.6	2.8	2.8	2.9	2.6	2.6
Unprocessed food	4.24	10.4	9.1	1.9	2.8	1.4	1.2	2.3	1.1	1.6	3.0	2.3	1.6	1.4	3.1
Non-energy industrial goods	25.66	4.6	5.0	0.8	1.6	0.7	0.5	0.6	0.4	0.4	0.5	0.6	0.5	0.5	0.6
Energy	9.43	37.0	-2.0	-2.2	-3.9	0.0	-2.7	-2.2	-3.0	-6.1	-4.6	-2.0	0.1	1.9	0.2
Services	45.63	3.5	4.9	4.0	4.0	4.0	4.0	3.9	4.1	3.9	4.0	3.9	4.0	3.9	3.7
Core Inflation (HICP less energy, food, alcohol and tobacco)	71.29	3.9	4.9	2.8	3.1	2.8	2.8	2.7	2.8	2.7	2.7	2.7	2.7	2.7	2.6
GREECE															
Harmonised Index of Consumer Prices (HICP)															
Overall index	100.00	9.3	4.2	3.0	3.2	2.7	3.1	3.0	3.2	3.1	3.1	3.0	2.9	3.1	3.0
Goods	51.30	12.9	3.8	1.7	2.9	1.6	1.6	0.7	1.7	1.9	0.9	0.7	0.7	1.0	1.0
Processed food (including alcohol and tobacco)	15.93	9.5	9.3	2.5	4.6	3.0	2.3	0.2	2.1	2.3	0.8	0.0	-0.3	-0.3	0.5
Unprocessed food	7.00	10.1	11.1	3.4	9.0	2.3	1.7	1.1	2.0	4.4	1.5	1.7	0.0	0.8	0.2
Non-energy industrial goods	20.06	5.0	6.4	1.7	2.2	1.4	1.4	1.8	1.4	1.8	1.6	2.1	1.7	1.4	1.4
Energy	8.31	41.0	-13.4	-1.4	-3.4	-1.9	1.0	-1.1	2.3	-0.8	-1.6	-2.3	0.7	2.6	1.6
Services	48.70	4.5	4.5	4.4	3.6	3.8	4.7	5.6	4.7	4.4	5.6	5.6	5.6	5.6	5.3
Core Inflation (HICP less energy, food, alcohol and tobacco)	68.76	4.6	5.3	3.6	3.1	3.1	3.7	4.4	3.7	3.6	4.4	4.5	4.4	4.4	4.2

Sources: Eurostat, ELSTAT and BoG calculations.

Price developments in the energy component of the Greek HICP and its subcomponents

(annual % changes)

Energy price inflation has turned positive since December 2024 mainly due to higher electricity and gas inflation.

GREECE	2025 weights (%)	2022	2023	2024	2024				2024					2025	
					Q1	Q2	Q3	Q4	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Harmonised Index of Consumer Prices (HICP)															
Overall HICP index	100.00	9.3	4.2	3.0	3.2	2.7	3.1	3.0	3.2	3.1	3.1	3.0	2.9	3.1	3.0
ENERGY	8.31	41.0	-13.4	-1.4	-3.4	-1.9	1.0	-1.1	2.3	-0.8	-1.6	-2.3	0.7	2.6	1.6
Electricity	2.80	43.1	-15.0	0.5	-2.0	-11.2	6.4	9.2	9.7	11.3	12.9	7.0	7.6	5.9	6.7
Natural gas and town gas	0.45	127.0	-49	-17.4	-52.3	-10.6	23.7	6.0	28.0	20.2	10.2	-0.1	8.7	26.5	41.1
Liquefied hydrocarbons	0.08	11.5	7.6	-0.3	1.4	-1.2	-2.2	0.6	-3.0	-0.9	-2.8	2.6	2.3	-0.4	-3.5
Liquid fuels	1.19	45.1	-11.8	1.6	7.7	6.3	6.3	-12.5	6.3	6.3	-16.0	-13.4	-7.6	-2.8	-6.0
Solid fuels	0.19	11.0	21.2	0.4	7.6	0.0	-1.5	-3.8	-1.2	-2.7	-4.1	-4.0	-3.4	-4.2	-2.6
Fuels for personal transport equipment	3.60	25.5	-7.8	-2.7	-1.8	2.8	-6.4	-5.3	-6.2	-13.1	-7.8	-5.6	-2.2	0.6	-2.1

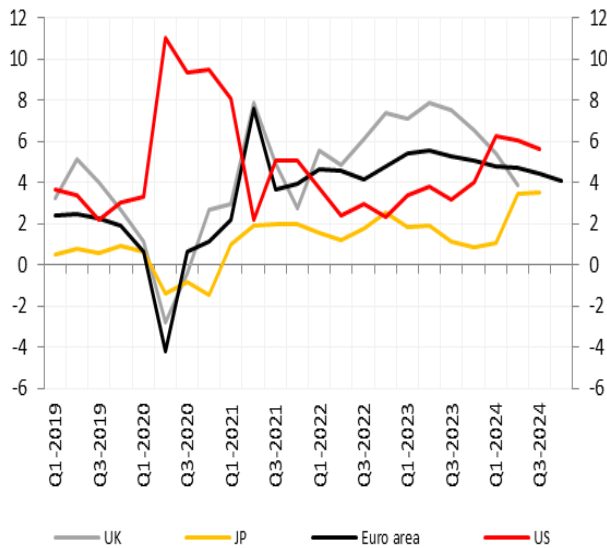
Sources: ELSTAT and Bank of Greece computations.

Section 2: Labour market developments

- Labour market tightness in the euro area is slowly easing.
- Although nominal wage growth in the euro area has slowed, it remains elevated.

Compensation per employee – major regions globally
(y-o-y % change; sa)

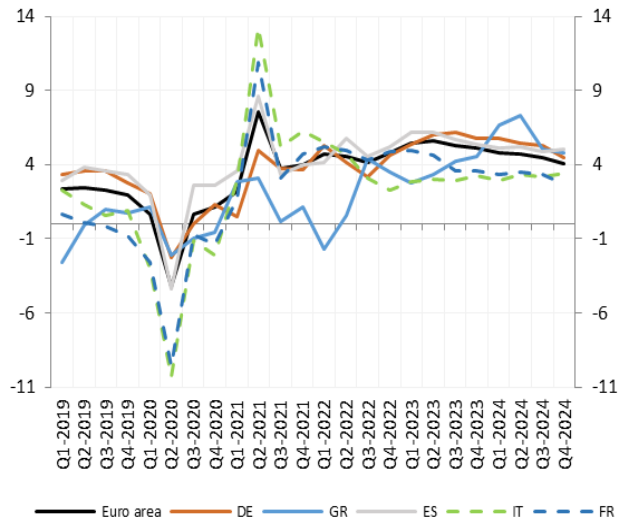
Growth in compensation per employee moderated in major advanced economies, except for Japan.



Sources: OECD and ECB. Latest observation: 2024:Q4 for the EA, 2024:Q3 for the US and Japan, 2024:Q2 for the UK.

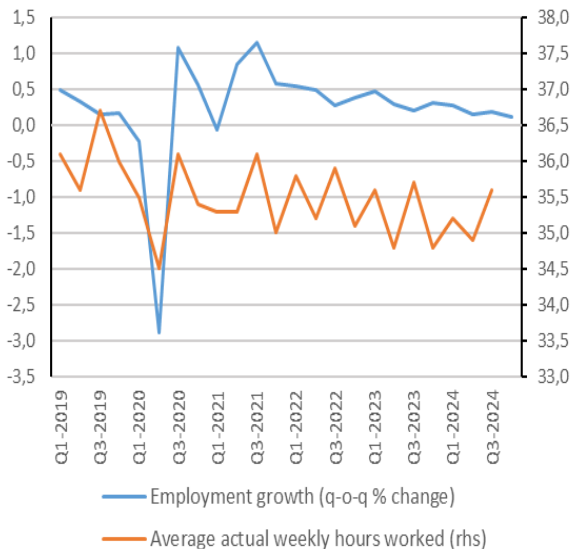
Compensation per employee – selected euro area countries
(y-o-y % change; sa)

Compensation per employee growth eased in major euro area countries, in 2024:Q4, except for Italy and Spain where it increased slightly. In Greece, it eased for the second consecutive quarter, thus converging to the euro area.



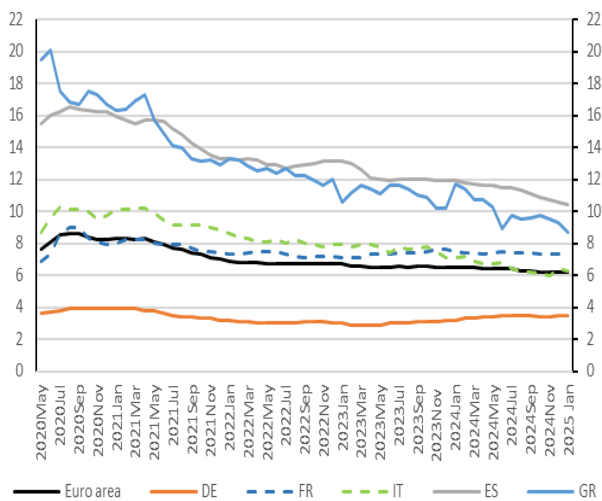
Sources: ECB. Latest observation: 2024:Q4.

Employment and hours worked – euro area
Employment growth is on an easing pace.



Source: Eurostat. Latest observation: 2024:Q4 for employment growth and 2024:Q3 for average actual weekly hours.

Unemployment rate – selected euro area countries (%)
In January 2025, euro area unemployment remained broadly unchanged at 6.2%. It dropped notably in Greece and slightly in Spain and Italy.



Source: Eurostat. Latest observation: January 2025.

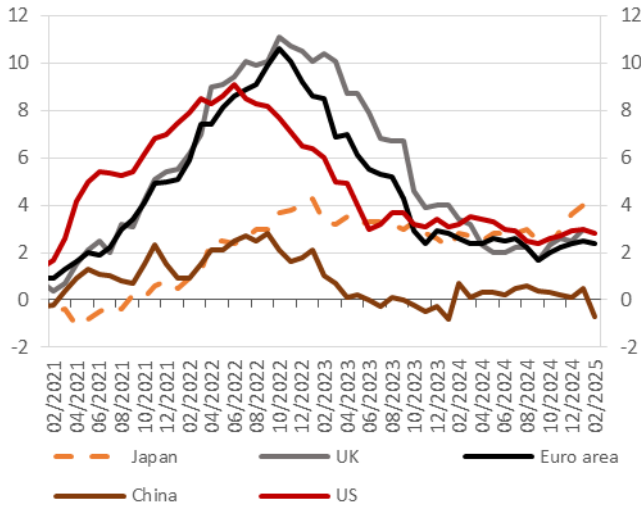
Sources: ELSTAT and BoG calculations.

Section 3: Global prices

- Inflation trends diverged across major economies in early 2025, with the euro area and the US remaining broadly flat, China seeing deflation, and Japan and the UK facing increased inflationary pressures.
- From mid-February 2025, the crude oil demand outlook weakened due to US and global growth concerns, and anticipated adjustments to the Ukraine-related sanctions to Russia, influenced by potential progress towards an end to the conflict. European natural gas prices declined notably, touching a five-month low, attributed to unseasonably warm temperatures and possible downward revisions to EU storage requirements. Agricultural commodities declined as drought fears subsided in key growing regions, while metal prices experienced modest increases.
- The attacks on vessels in the Red Sea/Gulf of Aden by Houthi rebels since mid-December 2023 led several containerhip companies to suspend transit through that region. As a result, the global sea container transportation cost has doubled compared to November 2023, supported also by positive global demand conditions. Transit time is a bit higher than its pre-pandemic level.

Headline consumer price inflation
(annual % change)

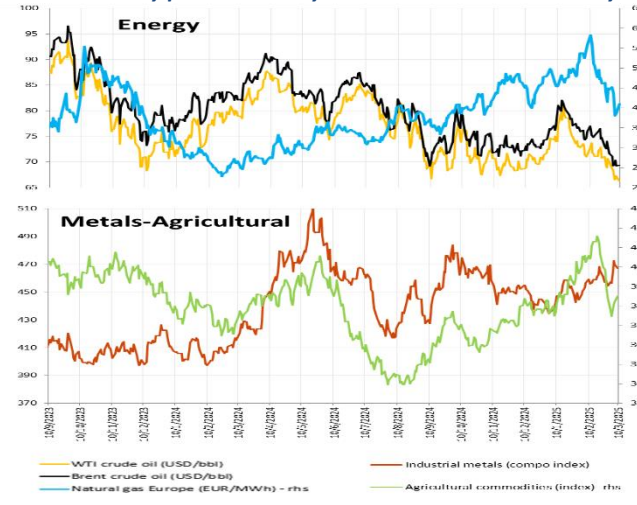
In February 2025, inflation moderated slightly in the euro area and the US. China experienced the first consumer deflation in February 2025 since January 2024, amid fading seasonal demand following the Spring Festival in late January. In January 2025, inflation rose in Japan and the UK.



Sources: OECD, Eurostat, UK ONS. Latest observation: February 2025 except for Japan and the UK, January 2025.

Daily commodity prices

Concerns about US and global economic growth have depressed crude oil prices. European natural gas prices have experienced a substantial decrease. Agricultural commodities have decreased and metal commodity prices modestly increased since mid-February 2025.

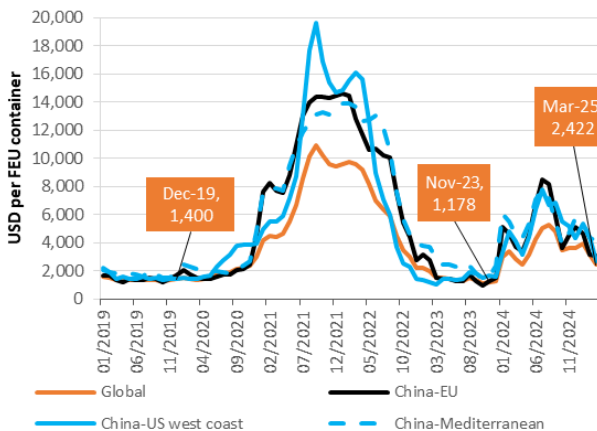


Source: LSEG. Latest observation: 10.3.2025.

Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

Containers transportation cost – Freightos Index

Global sea transportation costs still remain at high levels due to Red Sea crossing disruptions and to positive global demand conditions.

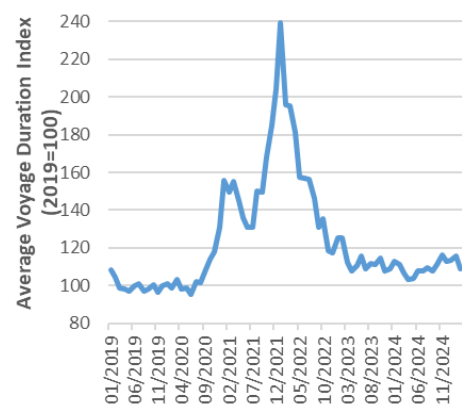


Sources: Freightos and LSEG. Latest observation: 07.03.2025.

Notes: Freightos Baltic Indices reflect the ocean container transport spot freight rates (port to port) for a standard forty-foot container (FEU). Monthly average of daily data.

China-US West Coast containerhip voyage time

The average voyage time has broadly declined to its pre-pandemic level.

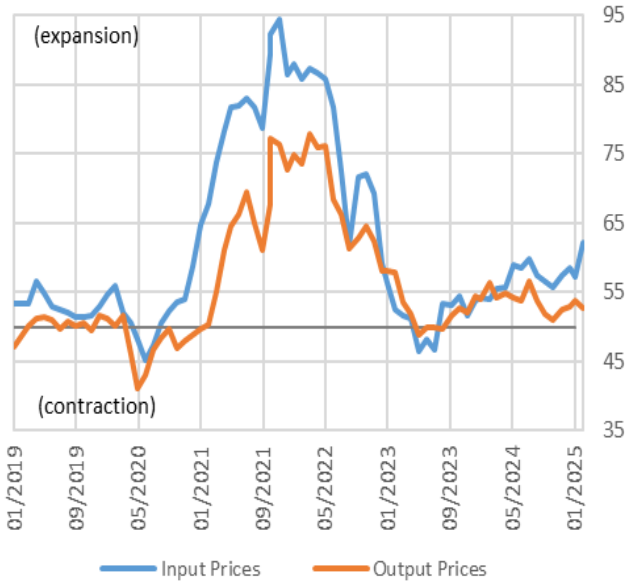


Source: Clarkson Research Services. Bank of Greece’s calculations. Latest observation: 07.03.2025

Section 4: Leading price indicators

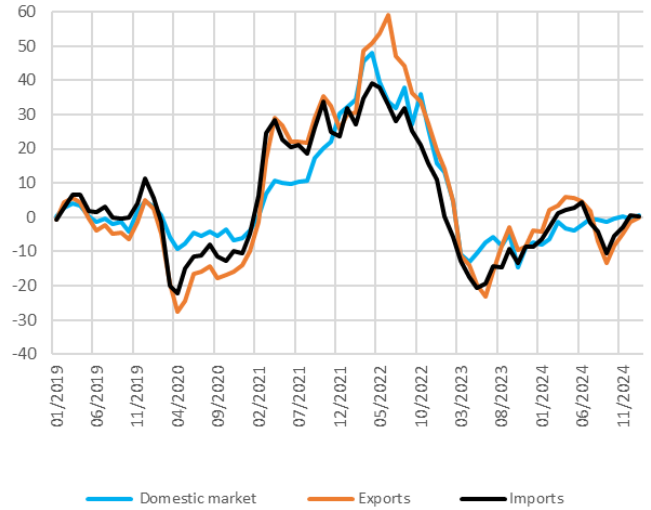
- *The February PMI input prices in Greece rose at the quickest rate since November 2022, due to higher energy, supplier and raw material costs; firms raised their selling prices passing through the increased costs to customers, but at a slower rate so as to remain competitive.*
- *February leading price indicators point to higher inflation expectations.*

PMI input and output prices in Greek manufacturing
Input and output prices continued rising in February 2025...



Source: S&P Global. Latest observation: February 2025.

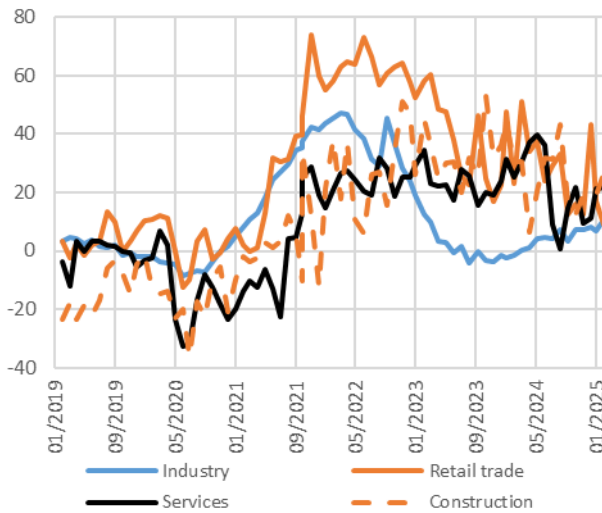
Producer Price Index components in Greece
 (annual % change)
.....producer prices are on a slightly rising path.



Source: ELSTAT. Latest observation: January 2025.

Selling price expectations in business sectors in Greece
 (for the next 3 months)

Selling price expectations increased across all sectors, except for the retail trade, in February 2025...

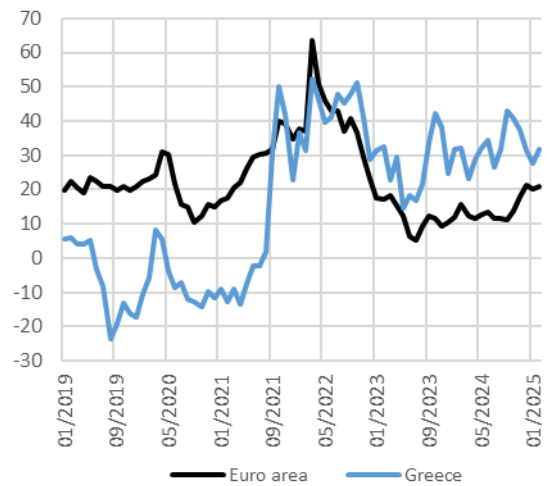


Source: European Commission. Latest observation: February 2025.

Note: Data are obtained from the closed-ended question about expectation of inflation over the next 3 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Developments in consumer inflation expectations
 (for the next 12 months)

...while consumers' inflation expectations increased in Greece and remained broadly flat in the euro area.



Source: European Commission. Latest observation February 2025.

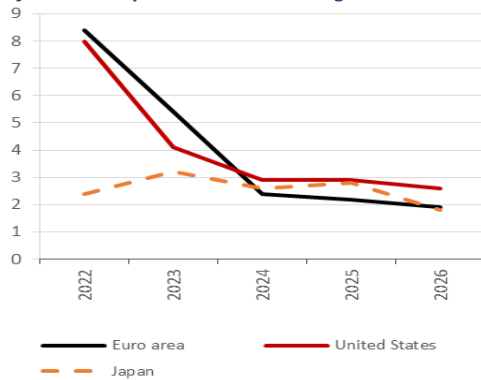
Note: Data are obtained from the closed-ended question about expectation of inflation over the next 12 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Section 5: Inflation expectations

- According to Consensus Forecasts released in March, for 2025 inflation is expected to be 2.2% in the euro area, 2.9% in US and 2.8% Japan, being slightly revised upwards for all, but remained unchanged and at lower levels for 2026.
- The ECB's Consumer Expectations Survey (CES) shows that median inflation expectations over the next 12 months in Greece decreased to 5.1% in January 2025 from 5.4% in the previous month and in the euro area to 2.6% from 2.8%, respectively. Median inflation uncertainty increased in Greece to 4.4% in January 2025 from 3.7% in the previous month while in the euro area it remained stable to 1.7%. ¹ Median inflation expectations three years ahead in Greece and in the euro area remained stable for three consecutive months at 5.1% and 2.4%, respectively.
- Market-based inflation expectations rose in the euro area, while they fell in the US over the medium-term horizon both being driven by market concerns over the potential effects of the changes in US external policies. Currently, medium term breakeven inflation is below 2% in the euro area and higher than 2% in the US (on 11.3.2025 vs. 18.2.2025, 5-year breakeven inflation rates: EA: 1.91%, +14 bps; US: 2.55%, -11 bps; 10-year breakeven inflation rates: EA: 2.08%, +15 bps; US: 2.32%, -12 bps). Real yields rose in the EA and fell in the US (on 11.3.2025 vs 18.2.2025: EA-5y: 0.61%, +12 bps; EA-10y: 0.79%, +23 bps; US-5y: 1.49%; -24 bps, US-10y: 1.97%: -13 bps).

Consensus: Inflation expectations (I)

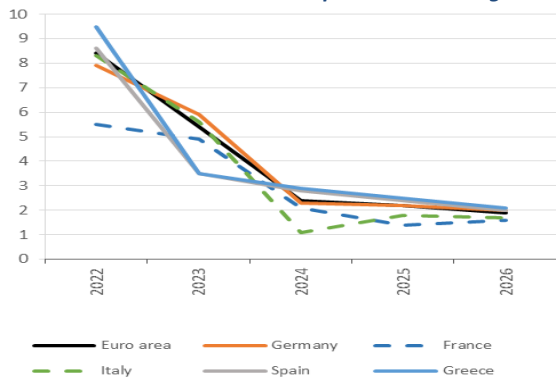
Inflation is expected to ease in large economies.



Source: Consensus Forecasts (March 2025).

Consensus: Inflation expectations (II)

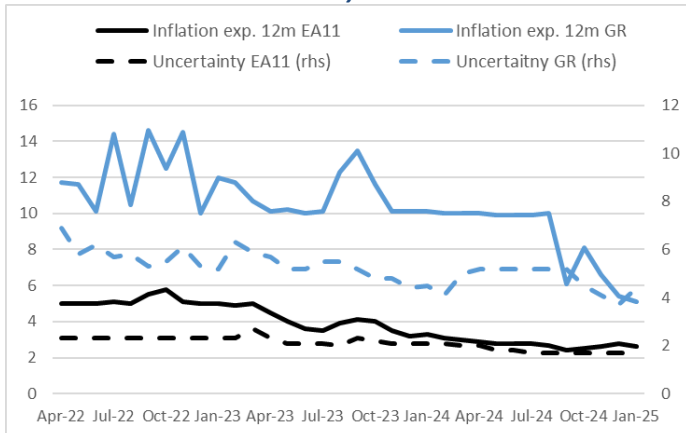
Inflation in euro area countries is expected to converge to 2%.



Source: Consensus Forecasts (March 2025).

Consumer inflation expectations over the next 12 months and inflation uncertainty – Greece vs EA

Short-term inflation expectations in Greece and in the EA decreased in January 2025.

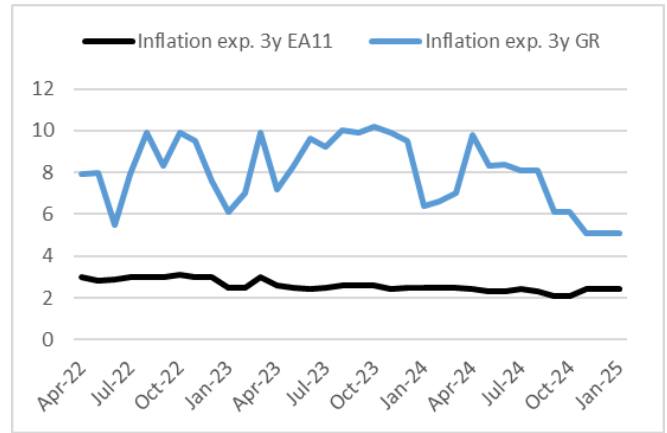


Source: ECB Consumer Expectations Survey (CES).

Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months. Inflation uncertainty is based on the respondent-specific probability distributions derived from the probabilistic bin question on inflation expectations. Implied Inflation uncertainty is computed as the interquartile range between the 75th and the 25th percentile of the respondent-specific subjective distribution. The sample period is from 4/ 2022 to 01/2025.

Consumer inflation expectations 3 years ahead – Greece vs EA

Medium-term inflation expectations remained stable in Greece and in the EA.



Source: ECB Consumer Expectations Survey (CES).

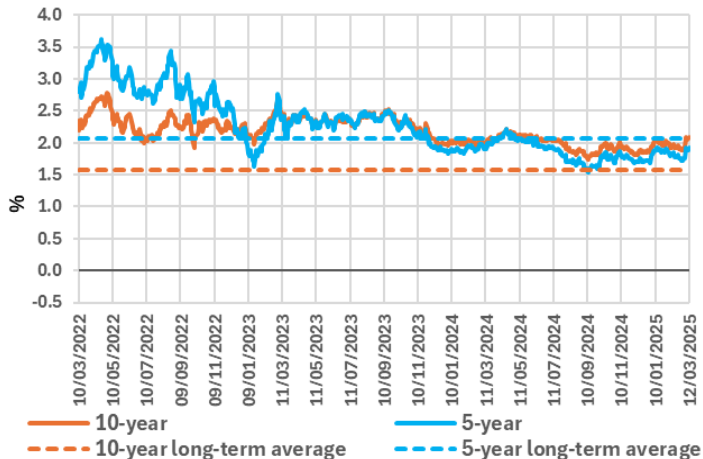
Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general between 2 and 3 years. The sample period is from April 2022 to January 2025.

¹ For a more detailed description of how inflation uncertainty is computed see, Section 3.3 “Indicators from the probabilistic bin questions” of the guide to the computation of aggregate statistics and the technical appendix:

https://www.ecb.europa.eu/stats/ecb_surveys/consumer_exp_survey/shared/pdf/CES_aggregate_statistics_guide.en.pdf

Euro-area breakeven inflation rates

Market-based expectations for euro-area inflation, over a short-to medium-term horizon, rose over the last month, still remaining below the medium-term target level of 2%.

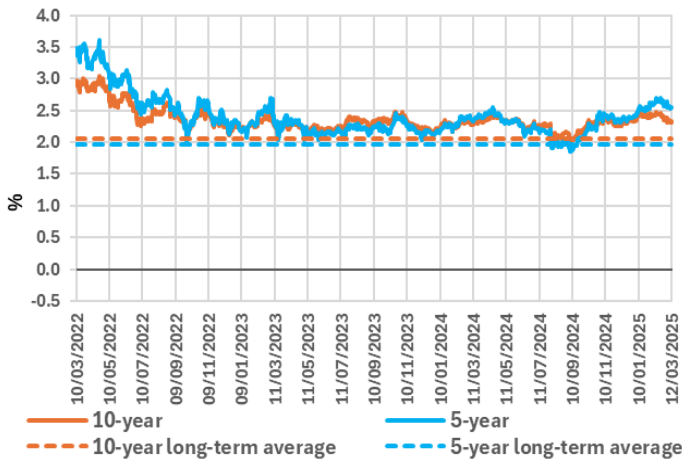


Sources: LSEG, Bank of Greece. Latest observation: 11.3.2025.

Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked EA benchmark bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

US breakeven inflation rates

Market-based expectations for US inflation over a medium-term horizon fell somewhat, over the last month, decreasing their distance from the 2% inflation target.



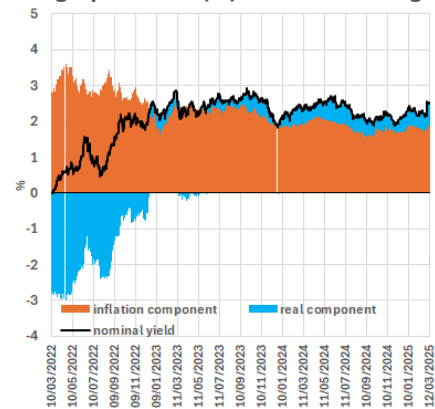
Sources: LSEG, Bank of Greece. Latest observation: 11.3.2025.

Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

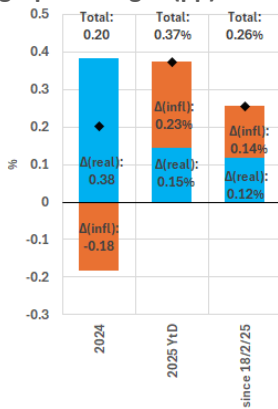
Euro area: Decomposition of nominal 5y yields into real yield and inflation component

In the EA, nominal yields rose, in the past month, driven higher both by inflation expectations and real yields (i.e. inflation-linked bond yields which compensate investors for inflation).

Left graph: levels (%)



Right graph: changes (pp)



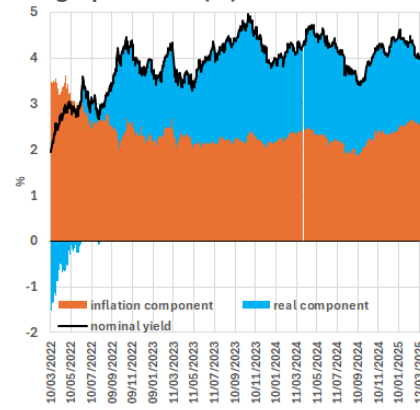
Sources: LSEG, Bank of Greece. Latest observation: 11.3.2025.

Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year German inflation-linked federal bond).

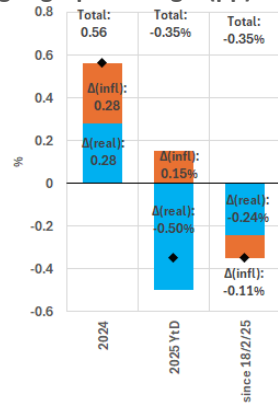
US: Decomposition of nominal 5y yields into real yield and inflation component

In the US, nominal yields on medium-term bonds fell, during the past month, driven lower by a continued fall in real yields (i.e. yields on US Treasury inflation-protected securities) and a downward correction in, still high, inflation expectations.

Left graph: levels (%)



Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 11.3.2025.

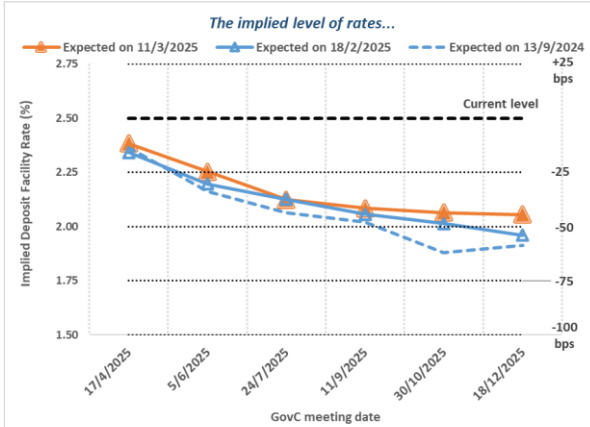
Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year US Treasury Inflation-Protected Security).

Section 6: Policy interest rates expectations

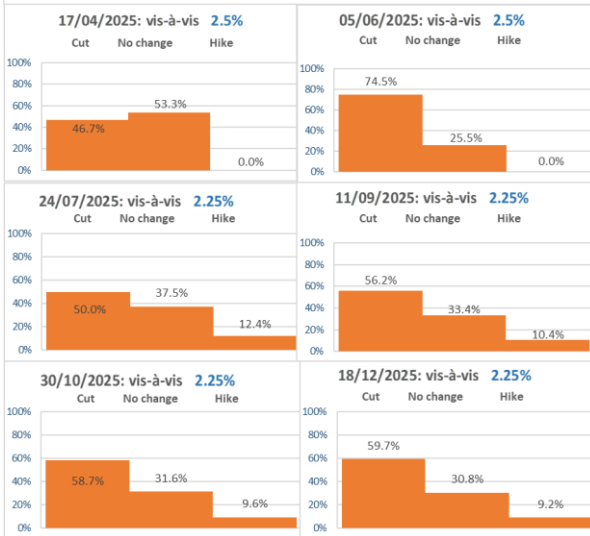
- The ECB cut its policy rates by a total of 50 bps in 2025 to date, after having reduced them four times in 2024 by a total of 100 bps. For the April 17th GovC, markets see as roughly equally likely the case for a rate cut, by 25 bps and no change. By the end of 2025 the ECB is seen likely to cut rates by 50 bps more, while the case for just one more rate cut in 2025 is now seen as more probable than one month ago (40% vs. 28%).
- The Fed left the Fed fund rate (FFR) unchanged in January 2025, after having cut its rate three times in 2024 by a total of 75 bps. For the next FOMC meeting, in 18-19 March, the Fed rates are not expected to change. The Fed is now seen likely to cut rates by 75 bps, in total, until the end of 2025; one month ago markets expected rate cuts of 25 to 50 bps until the end of 2025.

Short-term rates in the euro area

The outlook for ECB rates in 2025 remained broadly unchanged, vis-à-vis one month ago.

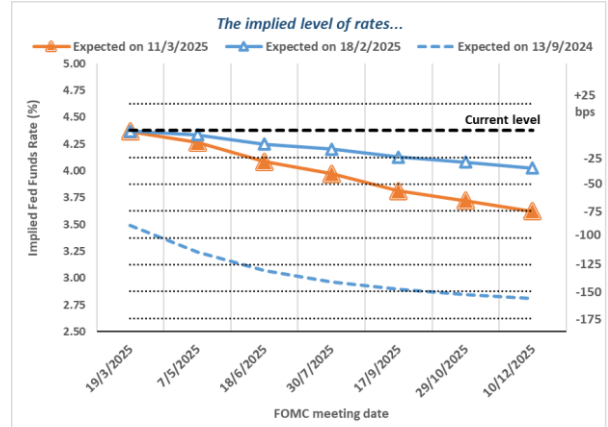


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

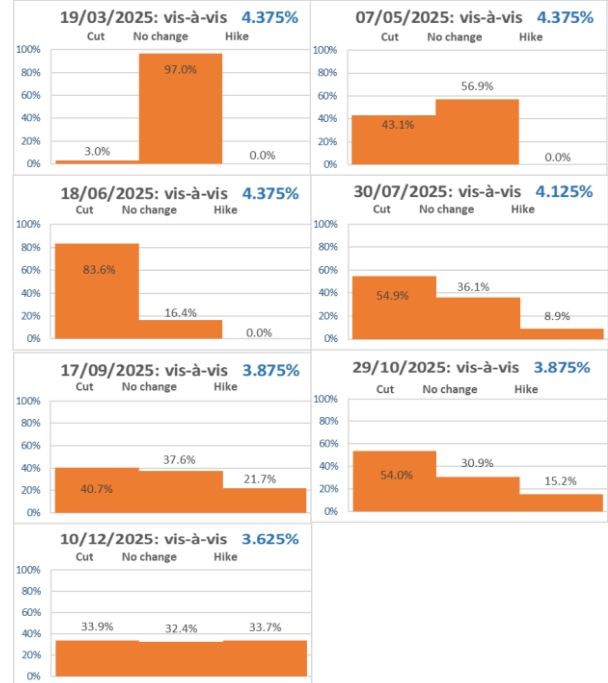


Short-term rates in the US

The outlook for the Fed funds rate rate has been revised downwards, vis-à-vis one month ago.



...and the likelihood of moves per FOMC meeting vis-à-vis the central probability for the rate at the previous meeting



Sources: LSEG. Latest observation: 11.3.2025.

Notes: Upper charts: The orange line shows the most recent expectation about the level of the policy rate (ECB: Deposit Facility Rate, Fed: Fed funds rate), as implied by the OIS rates' yield curve (ECB) or the pricing in futures contracts (Fed) for each meeting from today until December 2025. The blue line shows the expectation one month ago and the blue dotted line the expectation three months ago. The horizontal axis shows the date of each meeting. The dashed lines show the present level of the policy rate and its expected level given the market's view about upcoming rate moves by the ECB (charts in the left) or the Fed (charts on the right). Lower charts: The bars show the level of likelihood (i.e. implied probabilities) for the event of a rate move (from left to right: cut, no change, hike). The graphs correspond to monetary policy meetings (GovC for the ECB and FOMC for the Fed) during 2025. The probabilities for each move are calculated as the sum of the probabilities for rates lower, equal or higher, respectively, vis-à-vis the central probability for the rate at the previous meeting as inferred by the latest OIS yield curve (ECB) or futures contracts for different delivery dates (Fed).

Section 7: Eurosystem's latest published inflation projections (March 2025)

Euro area

- *Headline inflation is expected to remain relatively stable throughout the remainder of the year. This is mainly due to higher food inflation (reflecting the robust increases in commodity prices) and upward base effects in energy inflation (also driven by the latest rise in energy commodity prices), broadly offsetting downward impacts from declining core inflation (HICPX). Core inflation is expected to start declining in early 2025 as effects from lagged higher repricings fade out, wage pressures recede and the impact from past monetary policy tightening continues to feed through. The decline is expected to be driven by a decrease in services inflation, which has thus far been relatively persistent.*
- *Inflation will decline in 2026, as (a) HICPX continues its modest declining path, (b) energy inflation eases, thanks to downward base effects and assumptions of declining energy commodity prices and (c) food inflation moderates, due to receding energy and labour cost pressures.*
- *Inflation will rise slightly in 2027, reflecting a temporary upward impact (estimated to be 2.9 p.p. on HICP energy inflation in 2027) from the implementation of a new Emission Trading Scheme (ETS2) for the heating of buildings and for transport fuels.*
- *Wage growth should continue to follow its downward path from currently still elevated levels as inflation compensation pressures fade. Coupled with a recovery in productivity growth, this is expected to lead to significantly slower growth of unit labour costs. As a result, domestic price pressures are projected to continue easing, with profit margins recovering over the horizon.*

Greece

- *HICP inflation will continue to decelerate over the next two years. In 2025 it is expected to stand at 2.9%, due to robust and persisting services inflation. By the end of 2026, inflation will converge towards the 2% mark but will remain slightly above it. However, in 2027 a one-off uptick in HICP inflation to 2.5% is expected due to the impact of ETS2 on the energy component. Core inflation is expected to remain stable in 2025, decelerate in 2026 and ending at 2.2% in 2027, reflecting mainly the decline in non-energy industrial goods inflation and to a lesser extent services inflation.*

Macroeconomic projections, March 2025

Euro area

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2025	2.3	2.2	1.5	3.4	0.4	3.0
2026	1.9	2.0	0.1	2.8	0.8	2.0
2027	2.0	1.9	2.3	2.6	0.9	1.7

Greece

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2025	2.9	3.6	1.6	4.5	1.0	3.4
2026	2.3	2.8	0.4	4.3	1.0	3.2
2027	2.5	2.2	6.6	4.5	0.8	3.6

Table of news and statements on inflation (period: 20/1/2025-21/2/2025)

Statements by central bankers and other officials

- **25.02.2025: ECB's EB member Isabel Schnabel ([link](#)):** "Growing geopolitical fragmentation, climate change and labour scarcity pose measurable upside risks to inflation over the medium to long term. This is especially true as the recent inflation surge may have permanently scarred consumers' inflation expectations and may have lowered the bar for firms to pass through adverse cost-push shocks to consumer prices. [...]"
- **06.03.2025: ECB's Monetary Policy Statement ([link](#)):** "The Governing Council today decided to lower the three key ECB interest rates by 25 basis points. In particular, the decision to lower the deposit facility rate – the rate through which we steer the monetary policy stance – is based on our updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission. [...] The disinflation process is well on track. [...] Most measures of underlying inflation suggest that inflation will settle at around our two per cent medium-term target on a sustained basis. [...] Our monetary policy is becoming meaningfully less restrictive, as our interest rate cuts are making new borrowing less expensive for firms and households and loan growth is picking up. [...]"
- **07.03.2025: Fed Chair Jerome Powell (speech at the University of Chicago 2025 US Monetary Policy Forum, [link](#)):** "Despite elevated levels of uncertainty, the U.S. economy continues to be in a good place. [...] Looking ahead, the new Administration is in the process of implementing significant policy changes in four distinct areas: trade, immigration, fiscal policy, and regulation. It is the net effect of these policy changes that will matter for the economy and for the path of monetary policy. While there have been recent developments in some of these areas, especially trade policy, uncertainty around the changes and their likely effects remains high. As we parse the incoming information, we are focused on separating the signal from the noise as the outlook evolves. We do not need to be in a hurry, and are well positioned to wait for greater clarity."

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
21 February 2025	Italy CPI (%ΔYoY Jan Final)	1.5%	1.5%	0.0%	1.5%
21 February 2025	Italy HICP (%ΔYoY Jan Final)	1.7%	1.7%	0.0%	1.7%
24 February 2025	Euro Zone HICP (%ΔYoY Jan Final)	2.5%	2.5%	0.0%	2.5%
24 February 2025	Euro Zone HICP ex. Tobacco, Food & Energy (%ΔYoY Jan Final)	2.7%	2.7%	0.0%	2.7%
27 February 2025	France PPI (%ΔYoY Jan)	-2.1%	--	--	-3.8%
28 February 2025	France HICP (%ΔYoY Feb Preliminary)	0.9%	1.2%	-0.3%	1.8%
28 February 2025	France CPI (%ΔYoY Feb Preliminary)	0.8%	1.0%	-0.2%	1.7%
28 February 2025	Italy CPI (%ΔYoY Feb Preliminary)	1.7%	1.7%	0.0%	1.5%
28 February 2025	Italy HICP (%ΔYoY Feb Preliminary)	1.7%	1.8%	-0.1%	1.7%
28 February 2025	Germany CPI (%ΔYoY Feb Preliminary)	2.3%	2.3%	0.0%	2.3%
28 February 2025	Germany HICP (%ΔYoY Feb Preliminary)	2.8%	2.7%	0.1%	2.8%
28 February 2025	United States Core PCE Price Index (%ΔYoY Jan)	2.6%	2.6%	0.0%	2.9%
28 February 2025	United States PCE Price Index (%ΔYoY Jan)	2.5%	2.5%	0.0%	2.6%
3 March 2025	Euro Zone HICP (%ΔYoY Feb Flash)	2.4%	2.3%	0.1%	2.5%
3 March 2025	Euro Zone HICP ex. Tobacco, Food & Energy (%ΔYoY Feb Flash)	2.6%	2.5%	0.1%	2.7%
5 March 2025	Euro Zone PPI (%ΔYoY Jan)	1.8%	1.4%	0.4%	0.1%
10 March 2025	Greece HICP (%ΔYoY Feb)	3.0%	--	--	3.1%
10 March 2025	Greece CPI (%ΔYoY Feb)	2.5%	--	--	2.7%
12 March 2025	United States Core CPI (%ΔYoY Feb)	3.1%	3.2%	-0.1%	3.3%
12 March 2025	United States CPI (%ΔYoY Feb)	2.8%	2.9%	-0.1%	3.0%
14 March 2025	Germany CPI (%ΔYoY Feb Final)	2.3%	2.3%	0.0%	2.3%
14 March 2025	Germany HICP (%ΔYoY Feb Final)	2.6%	2.8%	-0.2%	2.8%
14 March 2025	France CPI (%ΔYoY Feb Final)	0.8%	0.8%	0.0%	0.8%
14 March 2025	France HICP (%ΔYoY Feb Final)	0.9%	0.9%	0.0%	0.9%

Source: LSEG.

*Expected figures are based on opinion polls among financial sector experts.

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