

Press release

30 June 2025

ECB's Governing Council updates its monetary policy strategy

- Governing Council confirms symmetric 2% inflation target over the medium term
- Symmetry requires appropriately forceful or persistent policy response to large, sustained deviations of inflation from target in either direction
- All tools remain in toolkit and their choice, design and implementation will enable an agile response to new shocks
- Structural shifts such as geopolitical and economic fragmentation and increasing use of artificial intelligence make the inflation environment more uncertain

The Governing Council of the European Central Bank (ECB) today published the [results of its strategy assessment](#), which are set out in an updated monetary policy strategy statement.

Following the strategy review carried out in 2020-21, the Governing Council announced that it would periodically assess the appropriateness of its monetary policy strategy. The assessment published today meets this commitment, ensuring that our framework, toolkit and approach remain fit for purpose.

The monetary policy strategy enables the Governing Council to respond effectively to major changes in the inflation environment. This is especially important as ongoing structural shifts, such as geopolitical and economic fragmentation, increasing use of artificial intelligence, demographic change and the threat to environmental sustainability, suggest that the inflation environment will remain uncertain and potentially more volatile, with larger deviations from the symmetric 2% inflation target.

To maintain the symmetry of the target, appropriately forceful or persistent monetary policy action in response to large, sustained deviations of inflation from the target in either direction is important. This will help to avoid inflation expectations becoming de-anchored and inflation deviations from the target becoming entrenched.

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“I am happy to announce that the Governing Council during its latest meeting approved the ECB’s updated monetary policy strategy”, said ECB President Christine Lagarde. “This assessment was a valuable opportunity to challenge our thinking, check our policy toolkit and fine-tune our strategy. It provides us with an even stronger basis to conduct monetary policy and fulfil our mandate of price stability in an increasingly uncertain environment.”

All monetary policy tools currently available to the Governing Council will remain in its toolkit. Their use at any time will continue to be subject to a comprehensive proportionality assessment. Their choice, design and implementation will be sufficiently flexible to enable an agile response to changes in the inflation environment.

In monetary policy decisions the Governing Council takes into account not only the most likely path for inflation and the economy but also surrounding risks and uncertainty, including through the appropriate use of scenarios and sensitivity analyses.

The first regular monetary policy meeting of the Governing Council applying the updated strategy will be held on 23-24 July 2025. The Governing Council intends to assess periodically the appropriateness of its monetary policy strategy, with the next assessment expected in 2030.

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Notes

- Prior to the 2025 strategy assessment, the Governing Council concluded strategy reviews in 2003 and 2021.
- Over the last 12 months the Governing Council has held seminars, presentations, discussions and meetings dedicated to the strategy assessment.
- The strategy assessment is the result of a significant collaborative effort over this period. It involved staff of the ECB and national central banks across the euro area and was organised into two separate workstreams.

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