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Statement of the Monetary Policy Committee 18 March 2020

The Monetary Policy Committee (MPC) of the Central Bank of Iceland has decided to lower the Bank's interest rates by 0.50 percentage points. The Bank's key interest rate – the rate on seven-day term deposits – will therefore be 1.75%.

This action eases the monetary stance still further, in view of the continued deterioration in the economic outlook following the accelerated spread of COVID-19 and the broad-based actions taken by Iceland and other countries in an attempt to slow the spread of the virus.

The MPC will continue to monitor economic developments and will use the tools at its disposal to support the domestic economy.