



**Preston Rowe Paterson**

International Property Consultants and Valuers

## **OCR 5.25% - Monetary restraint tempered as inflation converges on target**

Release Date: 14 August 2024

### **OCR reduced by 25 basis points to 5.25%.**

New Zealand's annual consumer price inflation is returning to within the Monetary Policy Committee's 1 to 3 percent target band. Surveyed inflation expectations, firms' pricing behaviour, headline inflation, and a variety of core inflation measures are moving consistent with low and stable inflation.

Economic growth remains below trend and inflation is declining across advanced economies. Some central banks have begun reducing policy interest rates. Imported inflation into New Zealand has declined to be more consistent with pre-pandemic levels.

Services inflation remains elevated but is also expected to continue to decline, both at home and abroad, in line with increased spare economic capacity. Consumer price inflation in New Zealand is expected to remain near the target mid-point over the foreseeable future.

The Committee agreed to ease the level of monetary policy restraint by reducing the OCR to 5.25 percent. The pace of further easing will depend on the Committee's confidence that pricing behaviour remain consistent with a low inflation environment, and that inflation expectations are anchored around the 2 percent target.

**[Read the full statement and Record of meeting](#)**

#### **Media contact:**

James Weir

Senior Adviser, External Stakeholders



**Preston Rowe Paterson**

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Phone: [+64 4 471 3962](tel:+6444713962) | Mobile: [021 103 1622](tel:0211031622)

Email: [James.Weir@rbnz.govt.nz](mailto:James.Weir@rbnz.govt.nz)