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MASTER FILES
ROOM C-525

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EBD/95/25

February 22, 1995

To: Members of the Executive Board
From: The Secretary
Subject: Italy - Discount Rate

The Secretary has received the following memorandum dated February 22, 1995, from Mr. Lanciotti:

Could you please inform the Executive Board of the following communication I received from Mr. Antonio Fazio, Governor of the Bank of Italy:

I wish to inform you that, with effect from Wednesday, February 22, the Bank of Italy has increased the discount rate by $\frac{3}{4}$ of 1 percentage point, from 7.50 to 8.25 percent. The rate applied to fixed-term advances is increased from 8.50 to 9.75 percent.

The increase is aimed at curbing inflation and countering the deterioration of inflationary expectations. It is in line with the conditions prevailing in the money market.

Other Distribution:
Department Heads

