

PRESS RELEASE

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Policy rate unchanged at 2.25 per cent

The increased uncertainty abroad implies that the economic outlook appears to be slightly weaker than in the March forecast. The impact on inflation is more difficult to assess. The Executive Board considers that monetary policy is currently well-balanced and that it is wise to await further information to obtain a clearer picture of the outlook. The policy rate is therefore held unchanged at 2.25 per cent. The assessment of the Executive Board is that it is somewhat more probable that inflation will be lower than that it will be higher than in the March forecast. This could suggest a slight easing of monetary policy going forward.

Uncertainty in the global economy has increased significantly since the change of US president, not least as a result of the new US trade policy. The increased uncertainty has caused large movements in financial markets. Growth prospects have deteriorated in both the United States and Europe. In the US economy, increased tariffs are expected to lead to higher inflation, while in Europe lower demand may put downward pressure on inflation. However, developments are very hard to assess.

Developments abroad mean that the economic outlook in Sweden looks slightly weaker than in the March forecast. According to surveys, household confidence has fallen significantly, while business confidence is relatively unchanged so far. However, anecdotal information suggests increased pessimism among companies too. Overall, it is still too early to determine the extent and duration of the effects on economic activity.

Inflation is already slightly elevated to start with and, in April, was 2.3 per cent measured as the CPIF and 3.1 per cent measured as the CPIF excluding energy. But new information supports the forecast made in March that the higher inflation this year will be temporary. The weaker economic outlook indicates lower inflation beyond the near term. But there is considerable uncertainty. For example, as is the

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case for other European countries, potential disruptions in supply chains or a generally more protectionist trade policy, could instead lead to inflation being higher than expected.

The Executive Board assesses that monetary policy is currently well-balanced and that it is wise to await further information to obtain a clearer picture of the outlook for economic activity and inflation. The Executive Board has therefore decided to leave the policy rate unchanged at 2.25 per cent. At the same time, even though uncertainty is significant, the Executive Board assesses that it is somewhat more probable that inflation will be lower than that it will be higher than in the March forecast. This could suggest a slight easing of monetary policy going forward.

The decision on the policy rate will apply from 14 May 2025. The minutes from the Executive Board's monetary policy meeting will be published on 14 May 2025. A press conference with Governor Erik Thedéen, and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at the Riksbank. Press cards or the equivalent are required to participate. The press conference will be broadcast live on riksbank.se. Advance registration is required, to press officer Susanne Meyer, susanne.meyer@riksbank.se no later than 10.00 on 8 May. The press conference will be broadcast live on riksbank.se.

About the Monetary Policy Update

A Monetary Policy Update is published in connection with the policy rate decision, containing the Executive Board's assessment of how new information affects economic prospects and monetary policy. The update does not contain any new forecasts. The next Monetary Policy Report containing forecasts will be published on 18 June.