

PRESS RELEASE

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Policy rate is cut to 1.75 per cent

To provide further support to economic activity and to stabilise inflation at the target in the medium term, the Executive Board has decided to cut the policy rate by 0.25 percentage points, to 1.75 per cent. If the outlook for inflation and economic activity holds, the policy rate is expected to remain at this level for some time to come.

The global economy is still marked by geopolitical tensions and the uncertainty they entail for both companies and households. But the outlook for global growth remains largely unchanged.

In Sweden, inflation remained elevated in August. But inflation excluding energy prices declined somewhat and approached the earlier forecast. New information has given further reassurance regarding the assessment that the high inflation is transitory; for instance, companies' pricing plans have declined and the krona has strengthened. But the Riksbank is following developments closely. The tax cuts announced by the Government will slow down inflation temporarily next year, but are not assessed to materially affect inflationary pressures.

The conditions for stronger economic activity going forward remain, and there are some signs that they have improved recently. However, growth has been weak for a long time, and the timing of the expected recovery has been gradually pushed forward. The turnaround on the labour market also appears to be taking longer than expected.

To provide further support to the recovery and to stabilise inflation at the target in the medium term, the Executive Board has decided to cut the policy rate by 0.25 percentage points, to 1.75 per cent. If the outlook for inflation and economic activity holds, the policy rate is expected to remain at this level for some time to come.

However, the outlook for inflation and economic activity is uncertain, and there are factors that could lead to a different design of monetary policy going forward. The

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uncertainty over how long inflation will remain elevated has declined, but still remains to some extent. There is also uncertainty regarding households' saving behaviour and how much the tax cuts announced by the Government will affect economic activity and inflation. Geopolitical conflicts, the unpredictability of the US trade policy and weak government finances in several countries are at the same time all continuing to shape the risk outlook abroad.

Forecasts for Swedish inflation, GDP, unemployment and the policy rate

Annual percentage change, annual and quarterly averages

	2024	2025	2026	2027	2028 Q3
CPI	2.8 (2.8)	0.8 (0.7)	0.9 (1.6)	2.1 (2.1)	3.0
CPIF	1.9 (1.9)	2.6 (2.4)	1.0 (1.7)	1.7 (2.0)	2.7
GDP	0.8 (1.0)	0.9 (1.2)	2.7 (2.4)	2.4 (2.3)	1.3
Unemployment, per cent	8.4 (8.4)	8.7 (8.5)	8.4 (8.3)	7.9 (7.9)	7.4
Policy rate, per cent	3.6 (3.6)	2.1 (2.1)	1.8 (1.9)	1.9 (1.9)	2.0

Note. The assessment in the Monetary Policy Report from June 2025 is shown in brackets. Calendar-adjusted GDP growth and seasonally adjusted LFS unemployment in 2028 Q3.

Sources: Statistics Sweden and the Riksbank

Forecast for the policy rate

Per cent, quarterly averages

	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2027 Q3	2028 Q3
Policy rate	1.75 (1.92)	1.75 (1.88)	1.75 (1.88)	1.75 (1.88)	1.88 (1.93)	2.04

Note. The assessment in the Monetary Policy Report from June 2025 is shown in brackets.

Source: The Riksbank

Deputy Governor Anna Seim entered a reservation against the decision to cut the policy rate and instead advocated an unchanged policy rate at today's meeting, together with a policy rate path signalling some probability of a further cut later this year. She argued that a vulnerable supply side, combined with an expansionary fiscal policy in 2026, implies that inflation could surprise on the upside.

Press conference in Malmö

The decision on the policy rate will apply from 1 October 2025. The minutes from the Executive Board's monetary policy meeting will be published on 29 September 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 Media Evolution, Gamla Dockan 1 in Malmö. The press conference will be broadcast live on riksbank.se. Journalists can take part in person or via Teams. Advance registration is required, to Fredrik Wange, Fredrik.Wange@riksbank.se no later than 10.00 on 23 September 2025. Press cards or the equivalent must be shown to attend the press conference.