PRESS RELEASE

DATE: 20/08/2026

CONTACT Press Office tel. +46 8 787 02 00

Policy rate unchanged at 1.75 per cent

During the summer, both growth and inflation have been higher than was forecast in June, and there is still a risk of underlying inflation becoming too high in the wake of the supply shocks in the Middle East. However, the picture is not clear-cut; for instance, companies' pricing plans have been subdued, disruptions in global supply chains have declined and the labour market has been somewhat weaker than expected. Overall, the outlook for the economy remains largely unchanged. The Riksbank has decided to leave the policy rate unchanged at 1.75 per cent and assesses that the probability of a rate increase later this year remains. If the unexpectedly high inflation during the summer were to be the start of a larger and more lasting upturn in inflation, the Riksbank would adjust its monetary policy in a tighter direction.

The uncertainty over developments in the Middle East is still considerable, and there is as yet no peace agreement between the United States and Iran. The war is continuing to affect the global economy, but the economic effects have so far been smaller than was initially feared. The oil price and certain other commodity prices have come down since the spring and there are signs that markets and companies have been able to adapt to the situation. But as the war is still going on, the underlying cause of the supply disruptions remains and there is still a risk of inflation becoming too high.

During the summer, inflation has been higher than the Riksbank's forecast in June. The more underlying inflation that excludes both energy prices and the direct effects of the temporary fiscal policy measures is relatively close to 2 per cent. However, the measured rate of inflation is low, largely due to the temporary fiscal policy measures. At the same time, there are signs that GDP growth has been stronger than in the forecast and sentiment in the economy has clearly improved.

However, labour market developments have been somewhat weaker than expected.

The Executive Board has decided to leave the policy rate unchanged at 1.75 per cent. The measured rate of inflation is still low and unemployment is high. However, both growth and inflation have been higher than was forecast in June, and there is still a risk of underlying inflation becoming too high in the wake of the supply shocks. However, the picture is not clear-cut; for instance, companies' pricing plans have been subdued and disruptions in global supply chains have declined. Overall, the outlook for the economy remains largely unchanged.

The Executive Board therefore assesses that it is a well-balanced policy to leave the policy rate unchanged, and that the probability of a rate increase later this year remains. If the unexpectedly high inflation during the summer were to be the start of a larger and more lasting upturn in inflation, the Riksbank would adjust its monetary policy in a tighter direction.

At the same time, there is considerable uncertainty and developments call for vigilance. In addition to the war in the Middle East, there are several other risks that could affect the outlook for inflation and economic activity.

The decision on the policy rate will apply from 26 August 2026. The minutes from the Executive Board's monetary policy meeting will be published on 25 August 2026. 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. Advance registration is required, to press officer Susanne Meyer, susanne.meyer@riksbank.se no later than 10.00 on 20 August 2026. 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 24 September 2026.