

Lower interest rate gives further support to the Swedish economy

Monetary policy September 2025



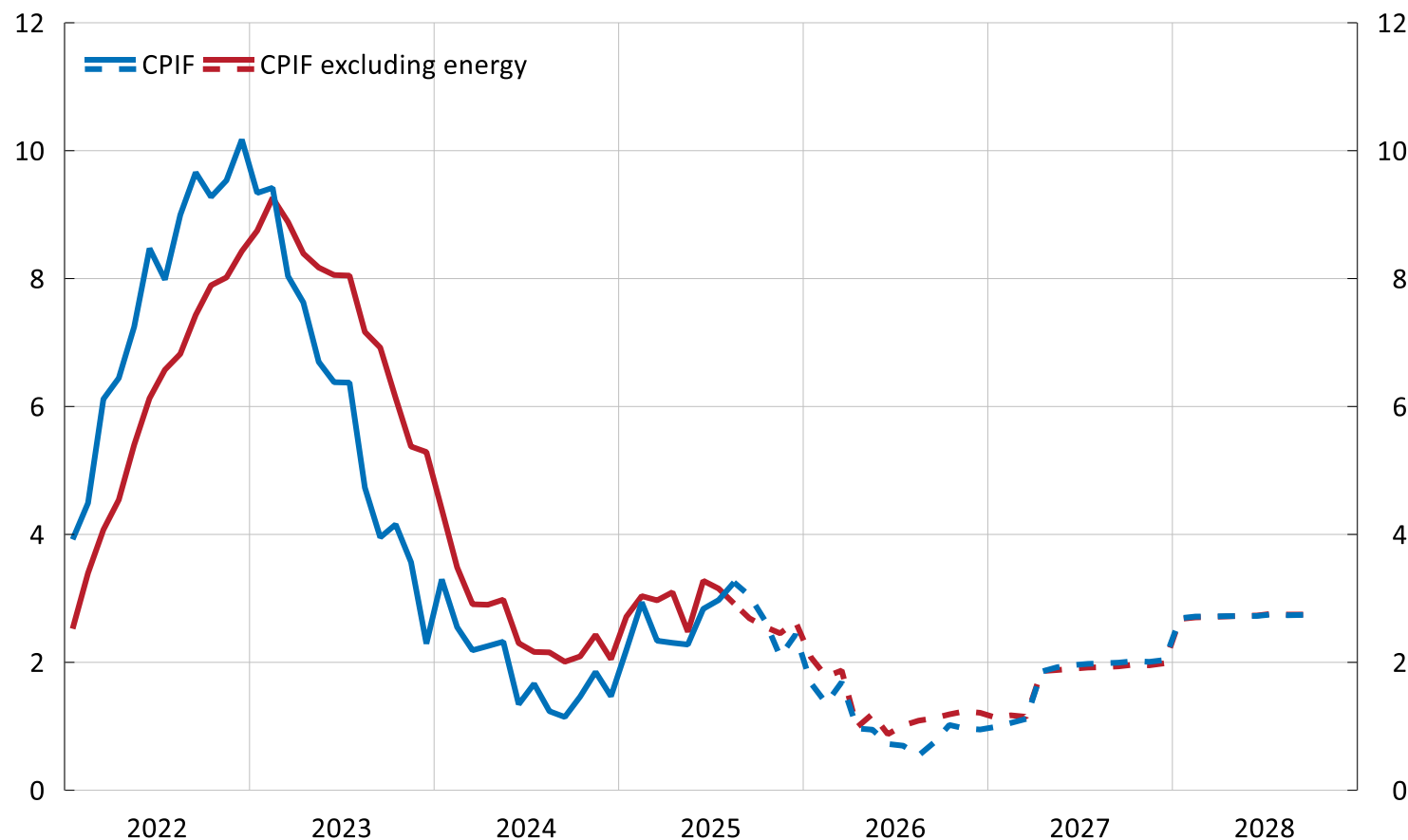
— S V E R I G E S R I K S B A N K —

Monetary policy September 2025

- The policy rate is **cut by 0.25 percentage points** to 1.75 per cent.
- If the outlook holds, the policy rate is expected to **remain at this level** for some time to come.



Elevated inflation expected to fall back

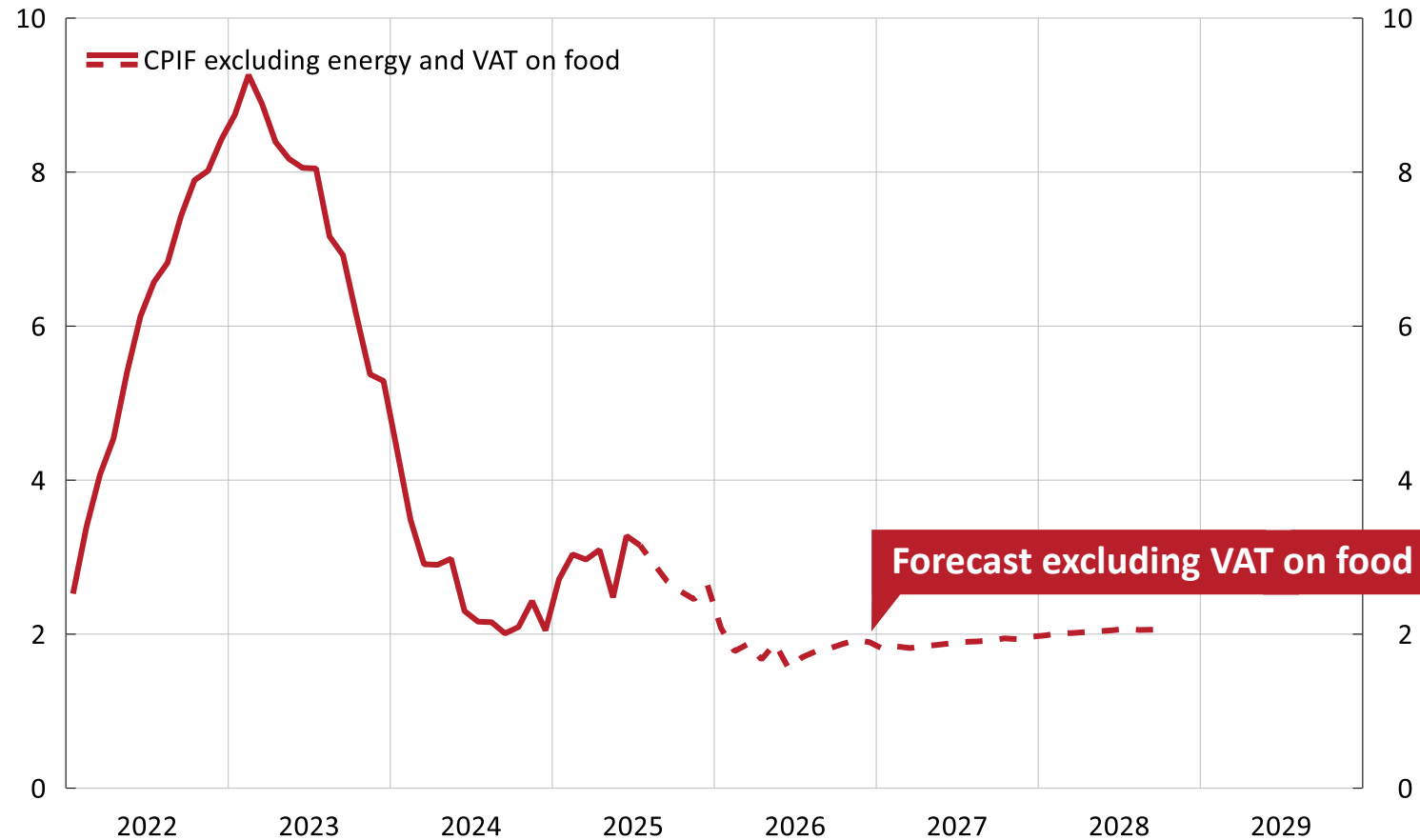


INFLATION
TARGET, CPIF:
2 %

Annual percentage change. Solid and dashed lines refers to outcome and forecast respectively at the September monetary policy meeting.

Sources: Statistics Sweden and the Riksbank.

Underlying inflation expected to be close to 2 per cent

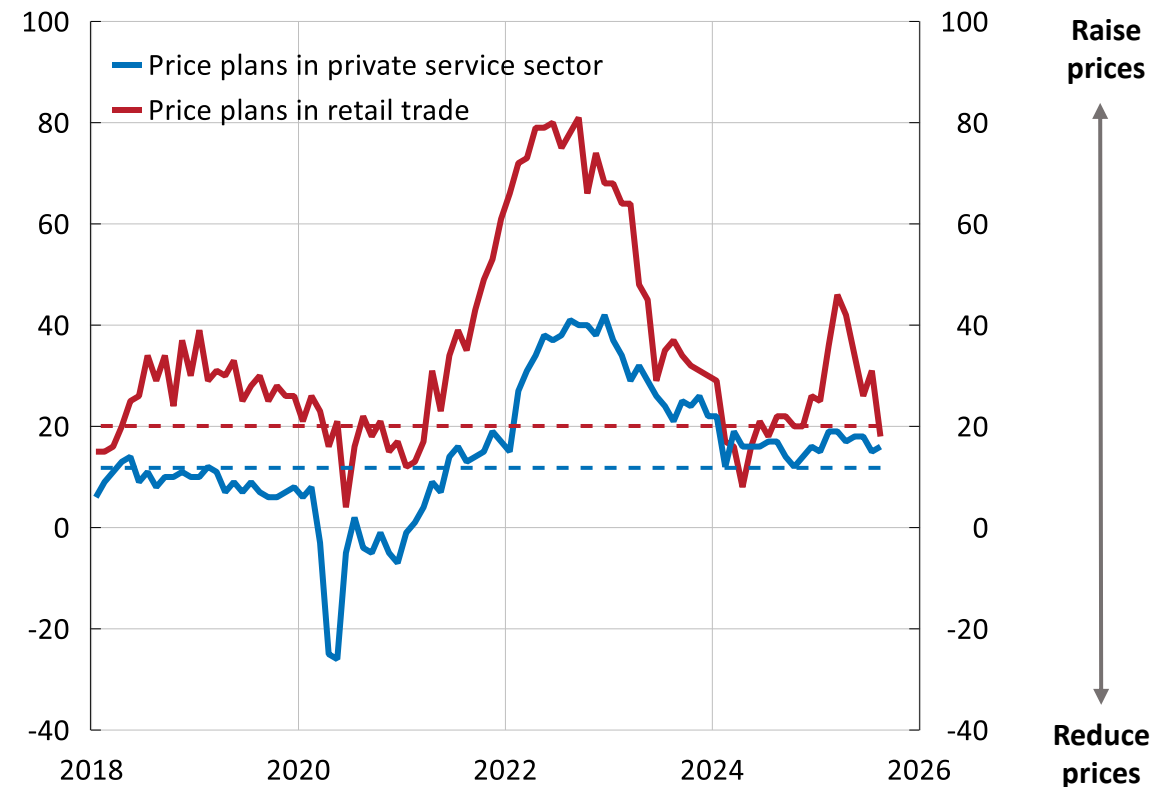


In the VAT-adjusted index, the change in VAT has been excluded from the forecast. Solid and dashed lines refers to outcome and forecast respectively at the September monetary policy meeting.

Sources: Statistics Sweden and the Riksbank.

Greater confidence that inflation will fall back

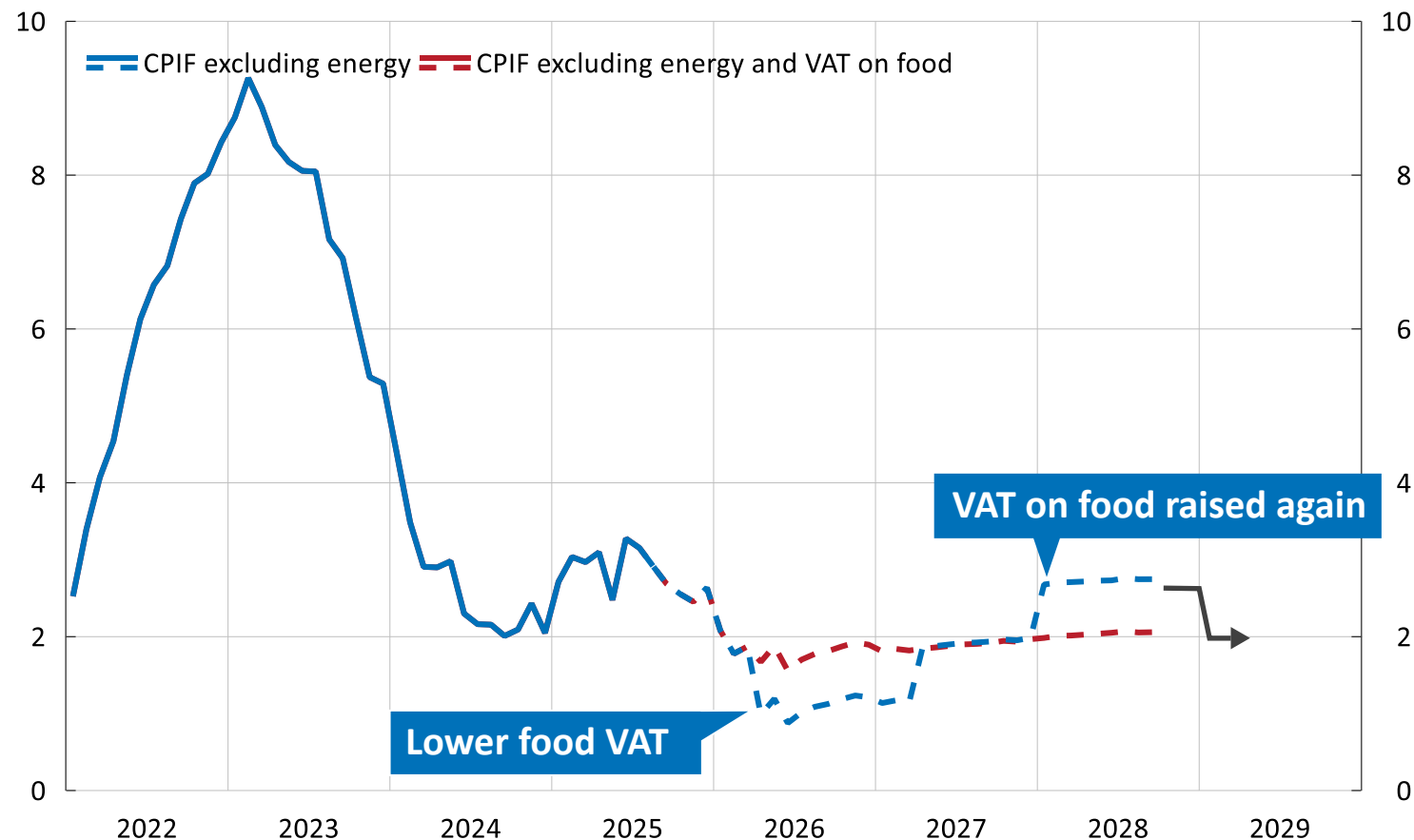
- The prices that pushed up inflation last summer have fallen.
- Companies' price plans have been dampened.
- Demand is weak.
- The krona has strengthened.
- Inflation expectations are firmly anchored.



Seasonally adjusted net figures. Number of firms planning to raise their prices compared with how many plan to reduce them in the coming three months. Dashed lines represent the average for the period 2005-2025.

Source: National Institute of Economic Research.

Clear effects on inflation from temporarily reduced VAT on food

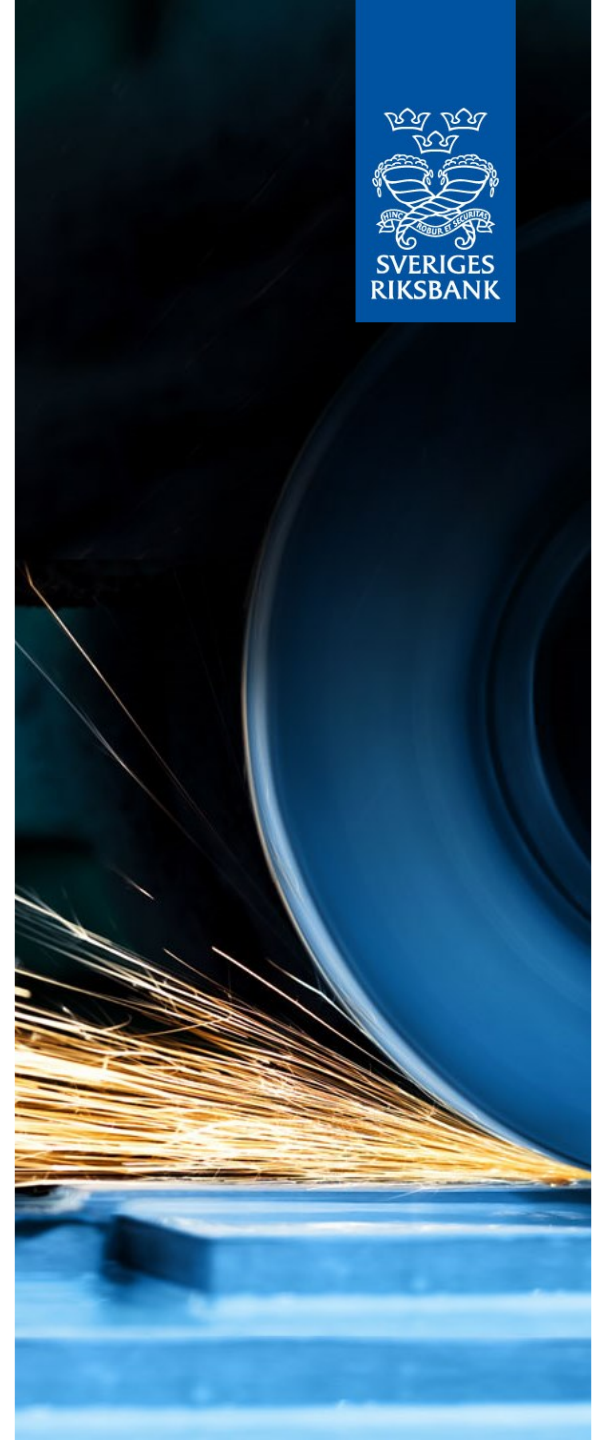


Annual percentage change. In the VAT-adjusted forecast, the change in VAT has been excluded. Solid and dashed lines refers to outcome and forecast respectively at the September monetary policy meeting.

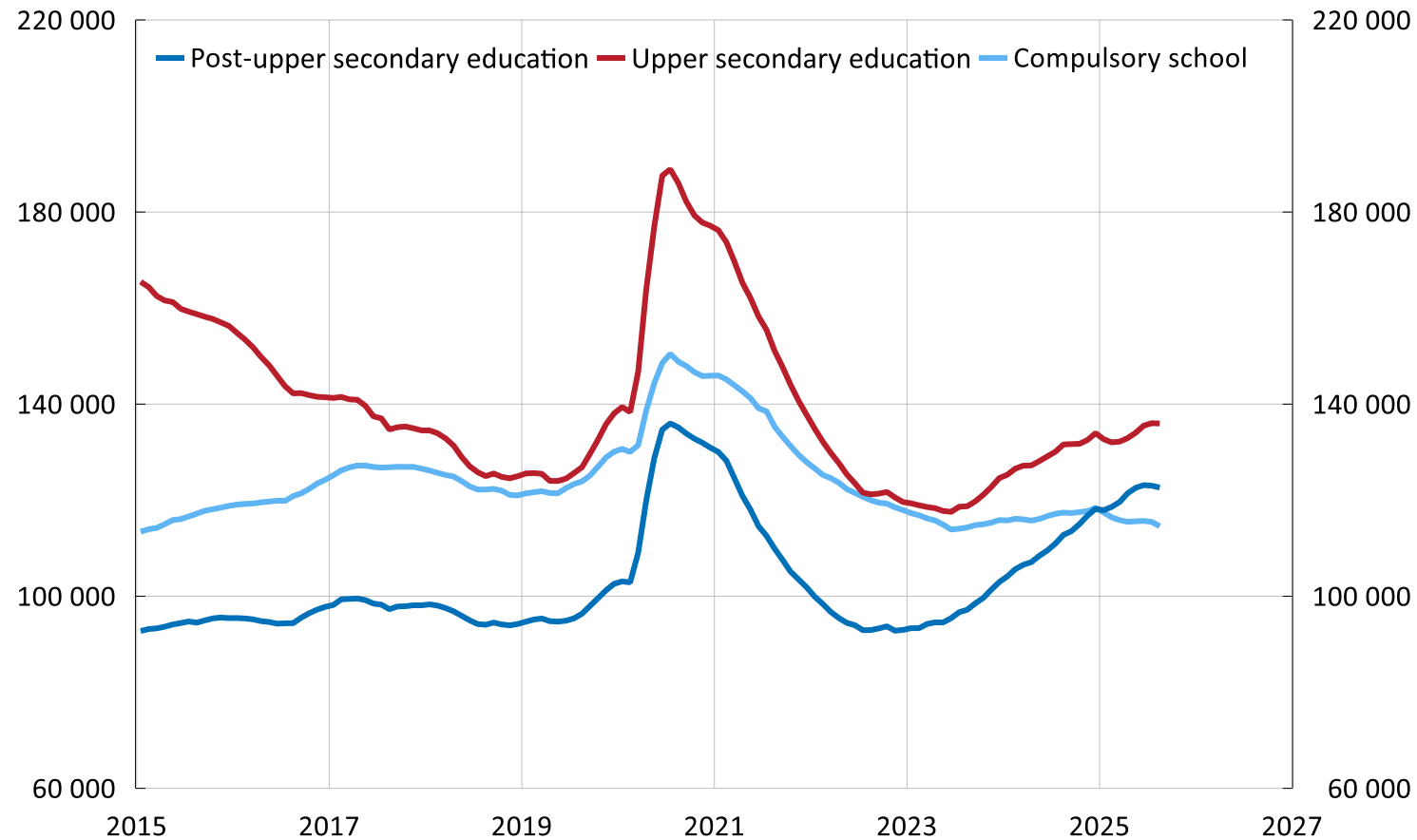
Sources: Statistics Sweden and the Riksbank.

Economic activity is still weak

- Growth slightly lower than expected in the first half of the year.
- But some signs of stronger growth recently:
 - Corporate sector confidence is close to normal levels.
 - Household consumption is rising, albeit at a modest pace.
 - Production in the business sector has increased.
- Few signals of a turnaround on the labour market.



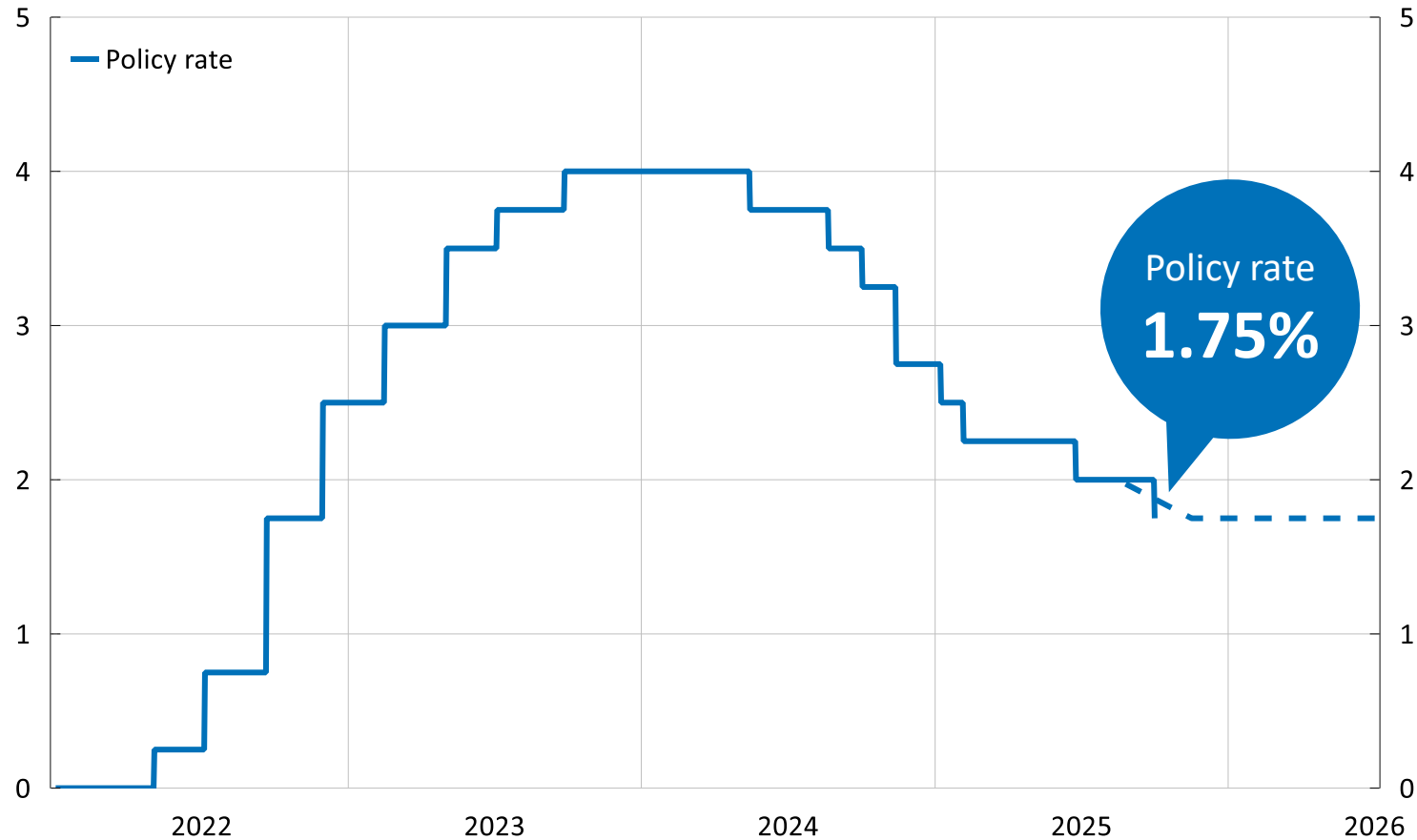
Weak demand for labour



Number of people registered as unemployed according to educational level. Seasonally adjusted data. Latest outcome refers to August 2025.

Sources: Swedish Public Employment Service and the Riksbank.

Lower interest rate provides support to economic activity and stabilises inflation at the target going forward

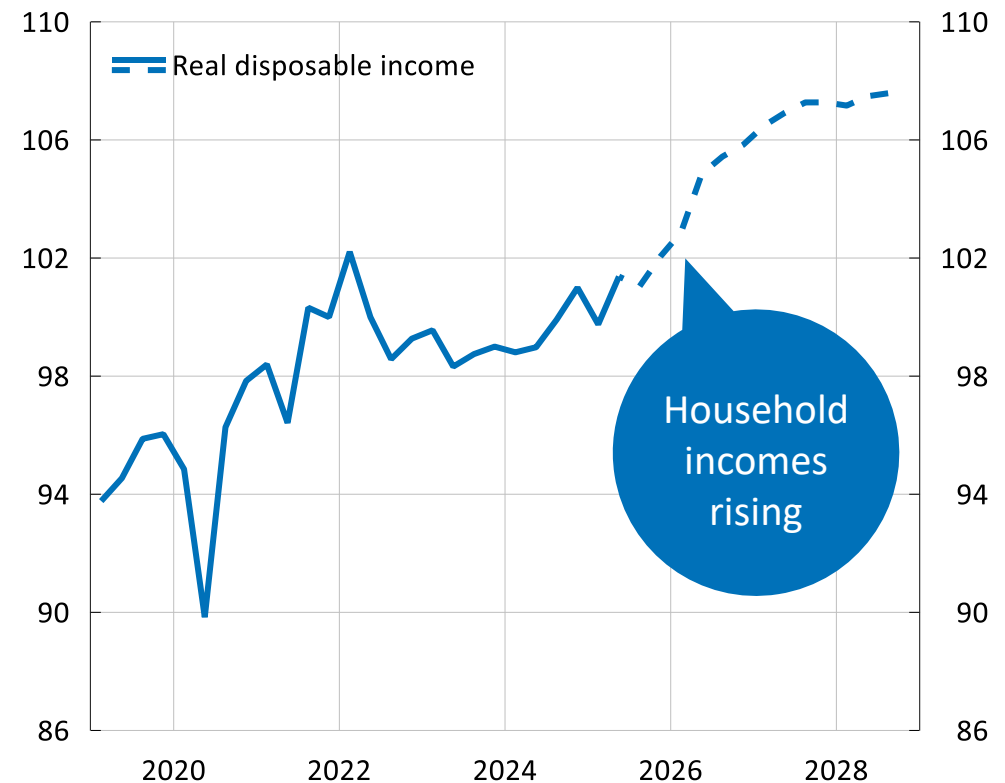


Per cent.

Source: The Riksbank.

Conditions for stronger economic activity

- Modest growth abroad.
- Lower interest costs.
- Rising real wages.
- Expansionary fiscal policy 2026.



Index, 2021 Q4 = 100. Real disposable income is income adjusted for changes in the deflator of household consumption expenditure, which usually increases at the same rate as the CPIF. Seasonally adjusted data.

Sources: National Mediation Office, Statistics Sweden and the Riksbank.

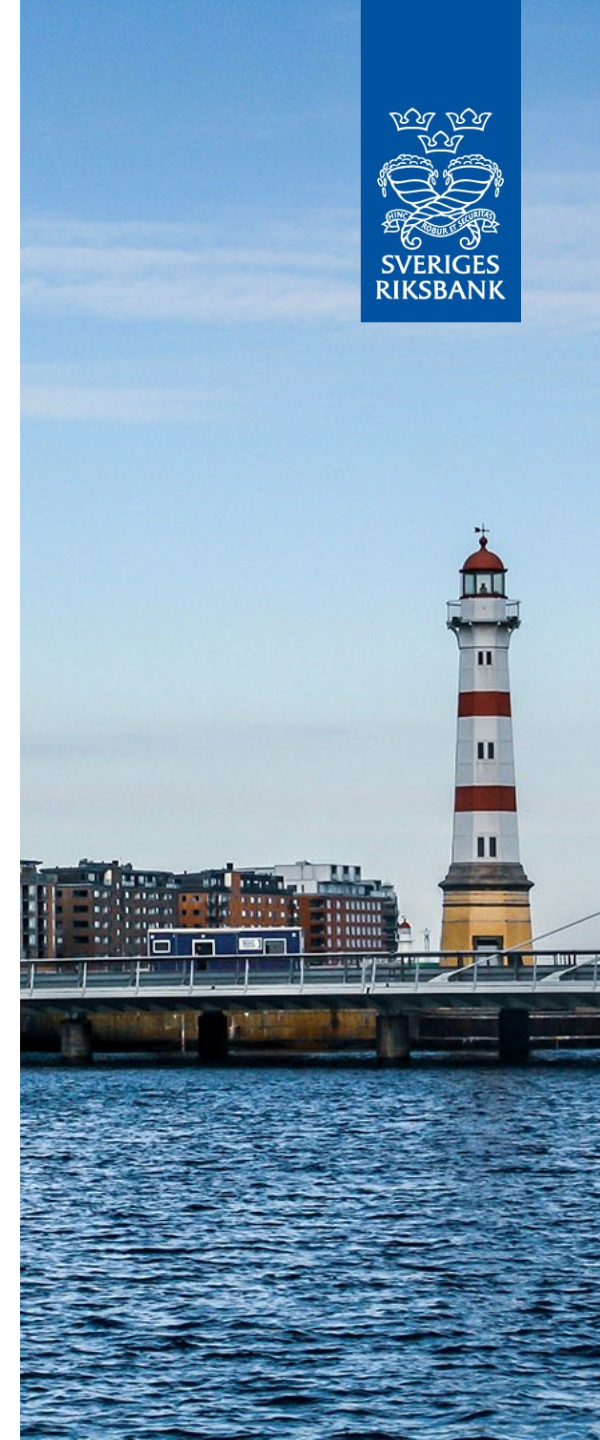
Monetary policy adapted according to the outlook for inflation and economic activity

If the outlook holds, the policy rate is expected to remain at 1.75 per cent for some time to come.

But several factors can have an impact:

- The elevated inflation is expected to fall, but requires vigilance.
- The effects of fiscal policy on economic activity and inflation.
- International developments.

New information, and how it is expected to affect the outlook for inflation and economic activity, decisive for determining the design of monetary policy.



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