



Monetary policy decision

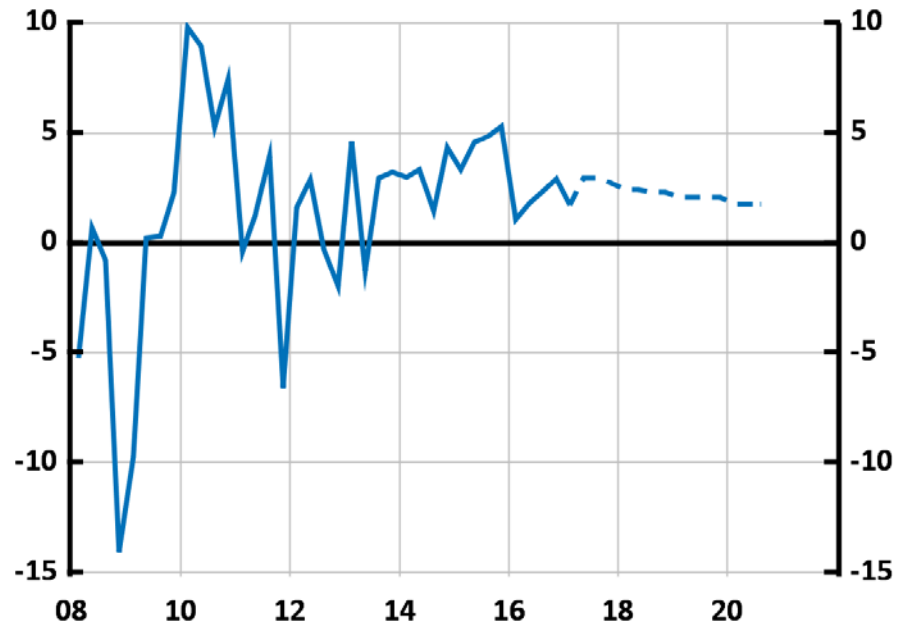
July 2017

S V E R I G E S R I K S B A N K

**Expansionary monetary policy contributing to strong
economic activity and inflation closer to target**

Strong Swedish economic activity

Good GDP growth



Strong development on the labour market



Quarterly change in per cent calculated at an annual rate and per cent of the labour force, 15–74 years, respectively.

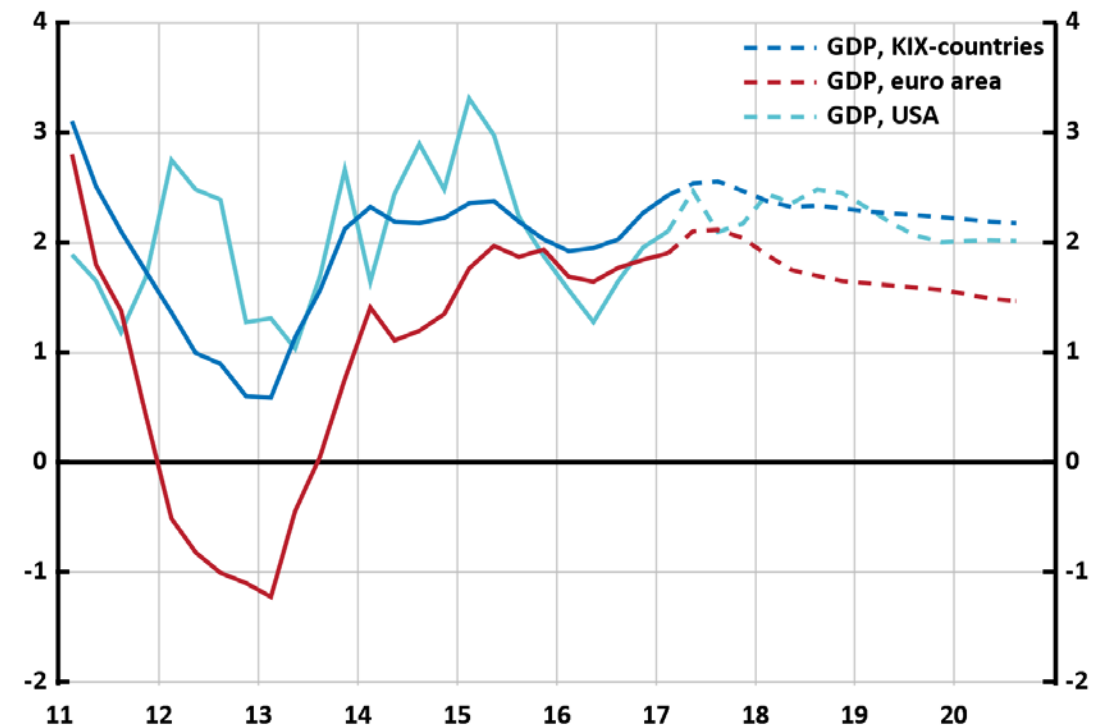
Sources: Statistics Sweden and the Riksbank

Developments abroad ever better

Economic activity is strengthening at a moderate rate

Economic and political uncertainty but risk of setbacks has diminished

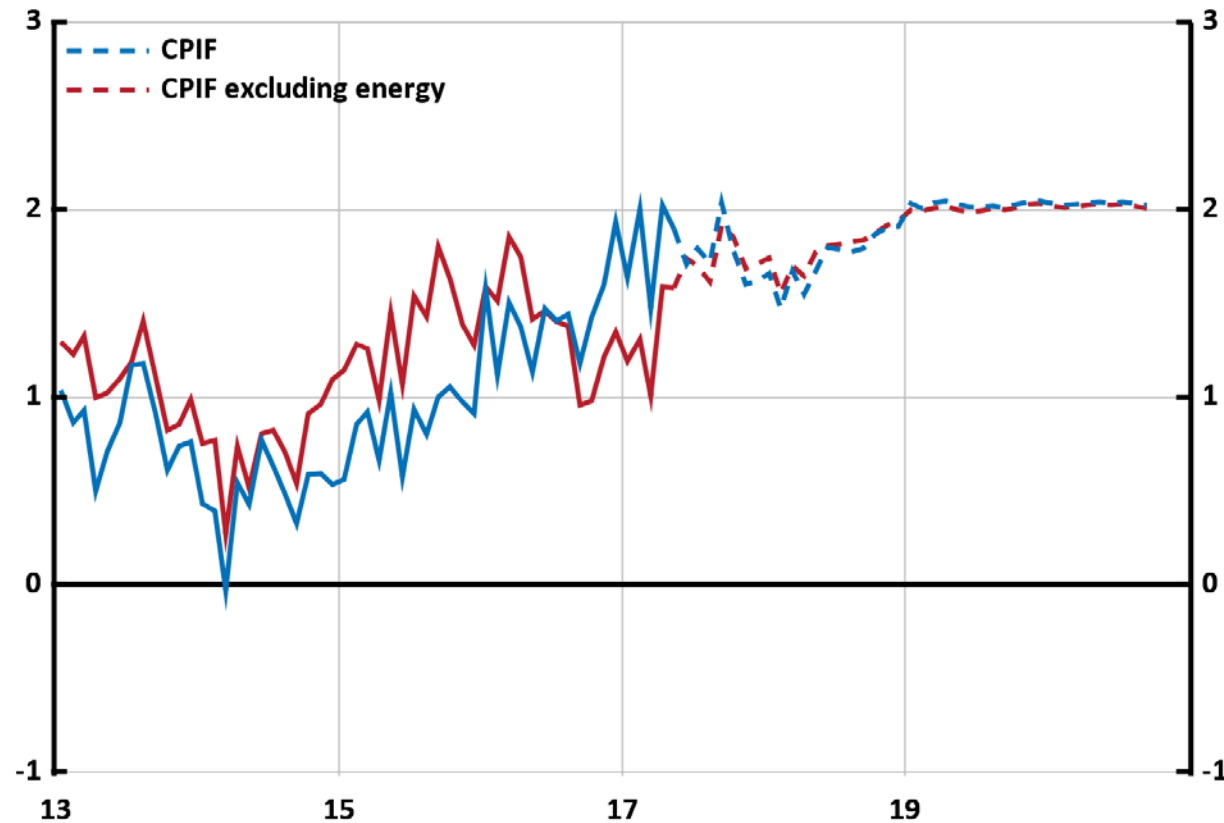
Central banks in different phases



Annual percentage change

Sources: BEA, Eurostat and Statistics Sweden

Economic activity gradually needs to have a greater impact on inflation



Annual percentage change. The CPIF is the CPI with a fixed mortgage rate.

Sources: Statistics Sweden and the Riksbank

Important for inflation that krona does not appreciate too quickly



Index, 28 Nov 1992 = 100. The KIX is an aggregate of countries that are important for Sweden's international transactions. Outcomes refer to daily data up to and including 30 June 2017.

Sources: National sources and the Riksbank

Too early to make monetary policy less expansionary

Strong economic activity and inflation close to 2 per cent

But

Taken time to bring up inflation, required a great deal of support from monetary policy

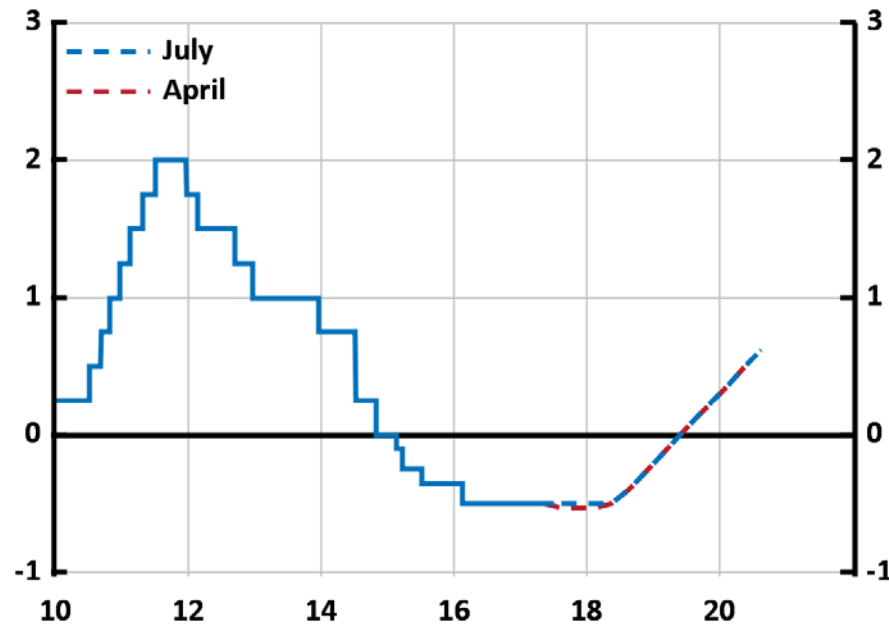
After a long time below target, inflation expectations can be sensitive

Need to see inflation more sustainably close to 2 per cent



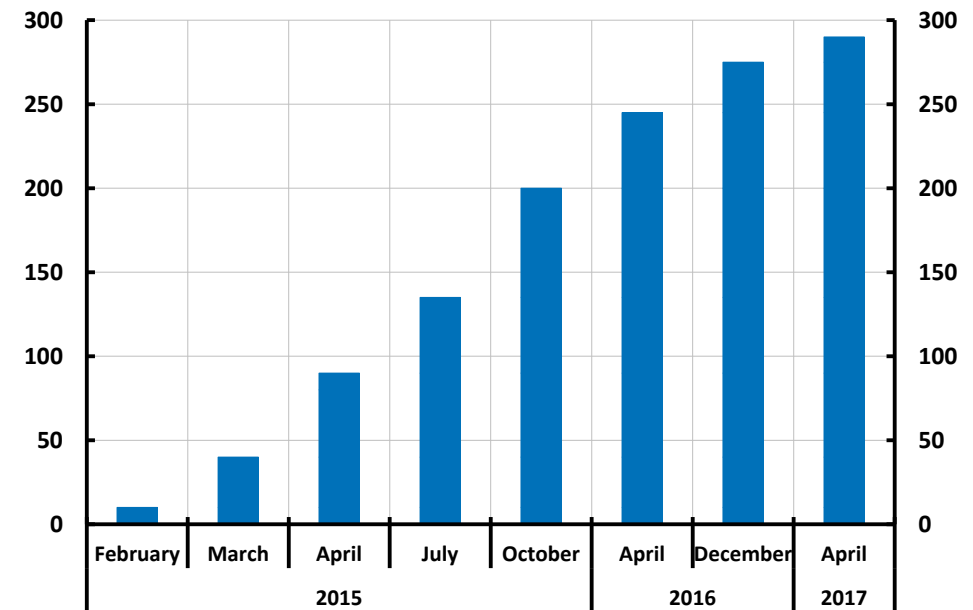
Continued support to economic activity and inflation

Repo rate at -0.50 per cent



Per cent and SEK billion respectively.

Purchases of government bonds during the second half of the year



Source: The Riksbank

Important with measures in the housing market

Inflation target has benefited Swedish economy – worth defending

Low global interest rates

Swedish households have borrowed too much for a long time

Measures needed in the housing market, taxation policy
and macroprudential policy



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