DECISION

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Policy rate decision (notified on 20 August 2026 at 9:30 am)

The Riksbank's decision

1. The Riksbank sets the policy rate at 1.75 per cent, which means that it is held unchanged. The policy rate decided on shall apply as from 26 August 2026.
2. The Riksbank adopts the Monetary Policy Update, annex Monetary Policy Update.

As the Riksbank decided earlier (ref.no. 2025-01134), the minutes from the monetary policy meeting on 19 August 2026 shall be published on 25 August 2026 at 9:30 am.

Grounds for the decision

Legal basis

Under Chapter 2, Section 1 of the Sveriges Riksbank Act (2022:1568), the overriding objective of the Riksbank is to maintain sustainably low and stable inflation (the price stability objective). Without prejudice to the price stability objective, the Riksbank shall also contribute to a balanced development of production and employment (consideration of the real economy).

According to Chapter 2, Section 3 of the Sveriges Riksbank Act, the Riksbank shall, with the approval of the Riksdag, decide on the specification of the price stability target. In September 2017, the Riksbank decided that the target is an annual increase in the consumer price index with a fixed interest rate (CPIF) of 2 per cent (ref. no. 2017-00691).

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The Riksbank's main monetary policy tool for achieving the price stability objective is the policy rate. By setting the policy rate, the Riksbank also determines the interest rate for its deposits, credits and repurchase agreements in financial instruments (Chapter 2, Section 4, paragraph 2 of the Sveriges Riksbank Act) and for certificates issued by the Riksbank (i.e. debt instruments pursuant to Chapter 2, Section 5, paragraph 2 of the Sveriges Riksbank Act).

Policy rate held unchanged at 1.75 per cent

The Riksbank has held the policy rate unchanged at 1.75 per cent since September 2025. At the end of 2025 and at the beginning of 2026, inflation was approaching 2 per cent at the same time as the Swedish economy was assessed to be growing at a relatively good pace. However, during the spring the war in the Middle East led to a substantial increase in uncertainty in the global economy. The Riksbank assessed at the monetary policy meeting in June that there was some scope to await a clearer picture of how supply shocks from the war would affect inflation and economic activity, but that the risk of inflation becoming too high had increased.

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 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 in 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 developed stronger than in the forecast and sentiment in the economy has clearly improved. However, labour market developments have been somewhat weaker than expected.

The measured rate of inflation is still low and unemployment is high. However, both growth and inflation have been higher than in the June forecast, 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' price plans have been subdued and disruptions in global supply chains have declined. Overall, the outlook for the economy remains largely unchanged.

As part of attaining the price stability target, the Riksbank assesses that under the prevailing circumstances and taking into account the consequences for the real economy and the functioning of the financial markets, a well-balanced decision is to hold the policy rate unchanged at 1.75 per cent.[1] The effects of the monetary policy decision are also considered to be in reasonable proportion to the costs and risks that the decision entails for the finances of the Riksbank and the State. The Riksbank therefore considers that the decision is compatible with the principle of proportionality in Chapter 1, Section 8 of the Sveriges Riksbank Act.

The Riksbank 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.

This decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Aino Bunge and Deputy Governors Per Jansson, Anna Seim and Göran Hjelm) following a presentation by Senior Economist Jakob Almerud. The Head of the Monetary Policy Department Åsa Olli Segendorf and General Counsel Annica Sandberg took part in the final processing work.

[1] This is developed further in the Monetary Policy Update, see enclosure.