

Introduction on monetary policy

Riksdag Committee
on Finance
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S V E R I G E S R I K S B A N K

Stefan Ingves

Governor of the Riksbank

Inflation at 2 per cent and confidence in the target has strengthened

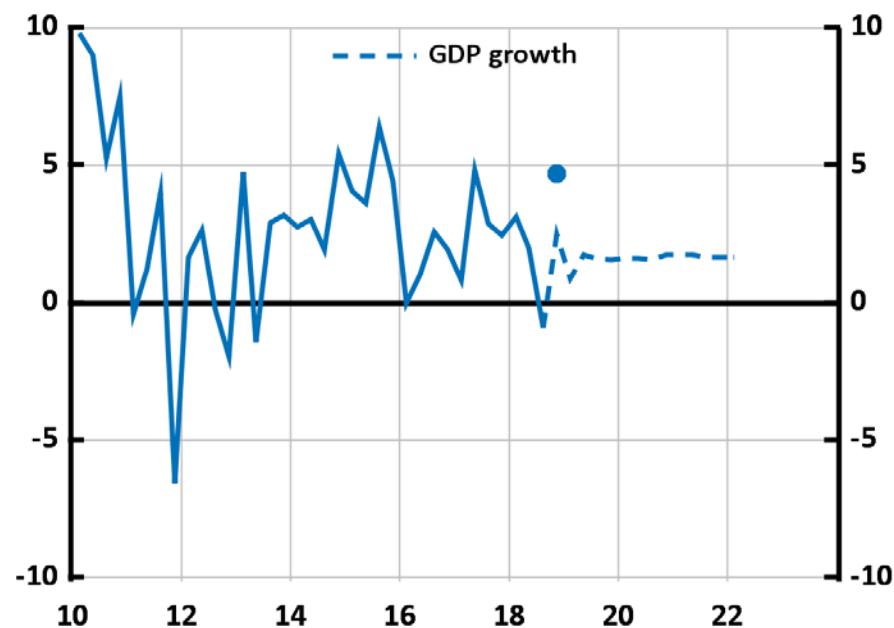


Annual percentage change. The dot marks the outcome since the Monetary Policy Report in February

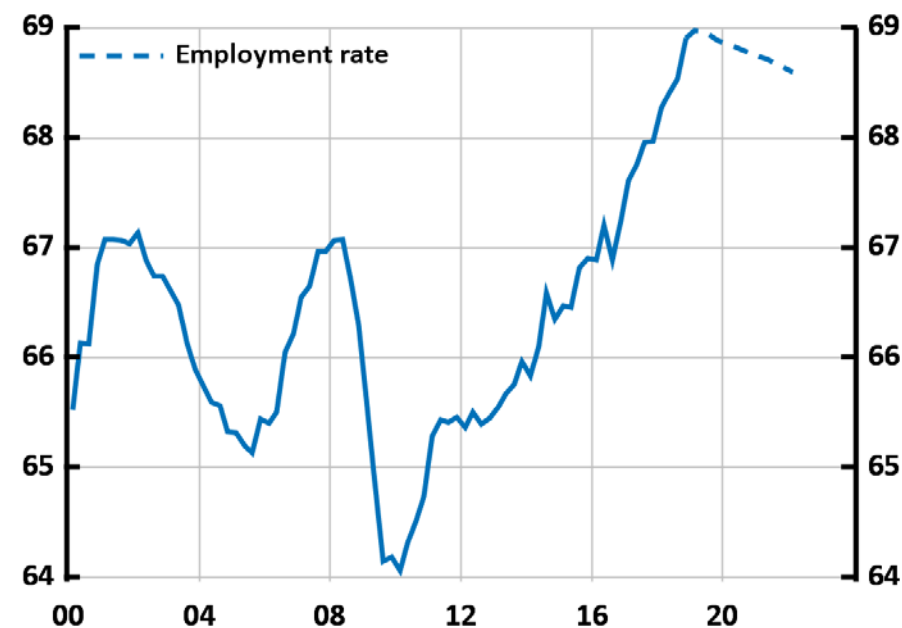
Source: Statistics Sweden

Continued healthy demand in the Swedish economy

Good GDP growth



Historically high employment rate

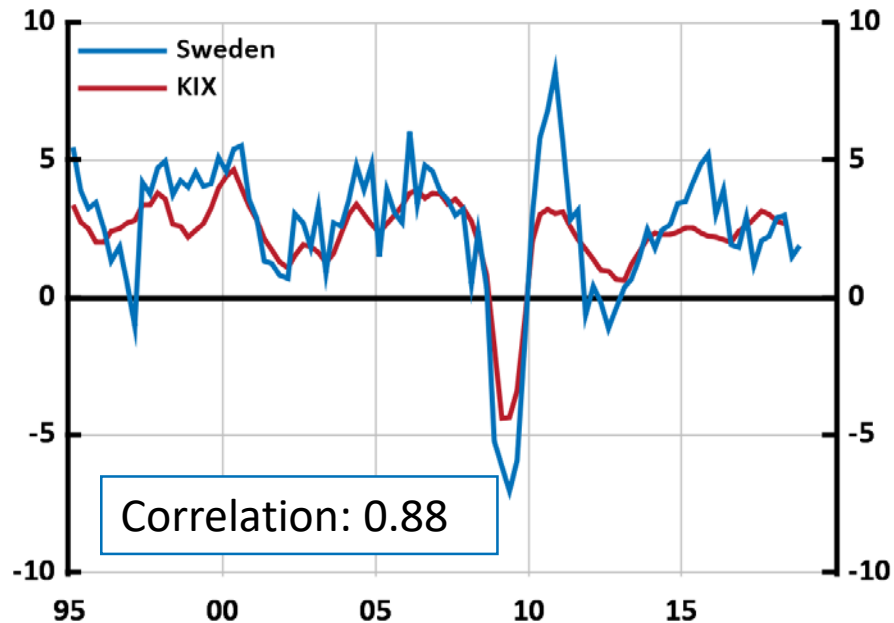


Quarterly change in per cent calculated at an annual rate and per cent of population, 15-74 years, respectively. The dot marks the outcome since the Monetary Policy Report in February

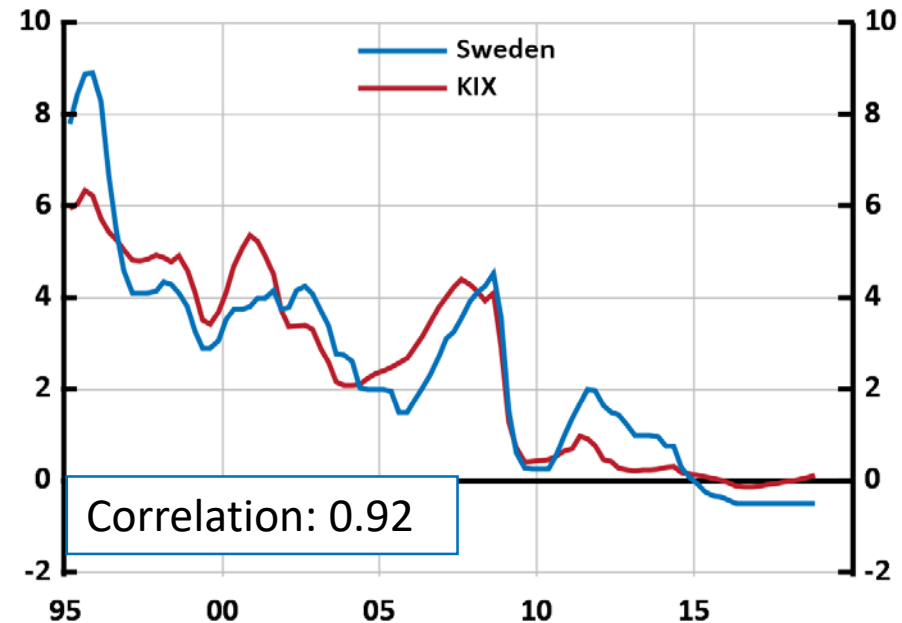
Sources: Statistics Sweden and the Riksbank

Swedish economy dependent on developments abroad

GDP growth



Policy rate

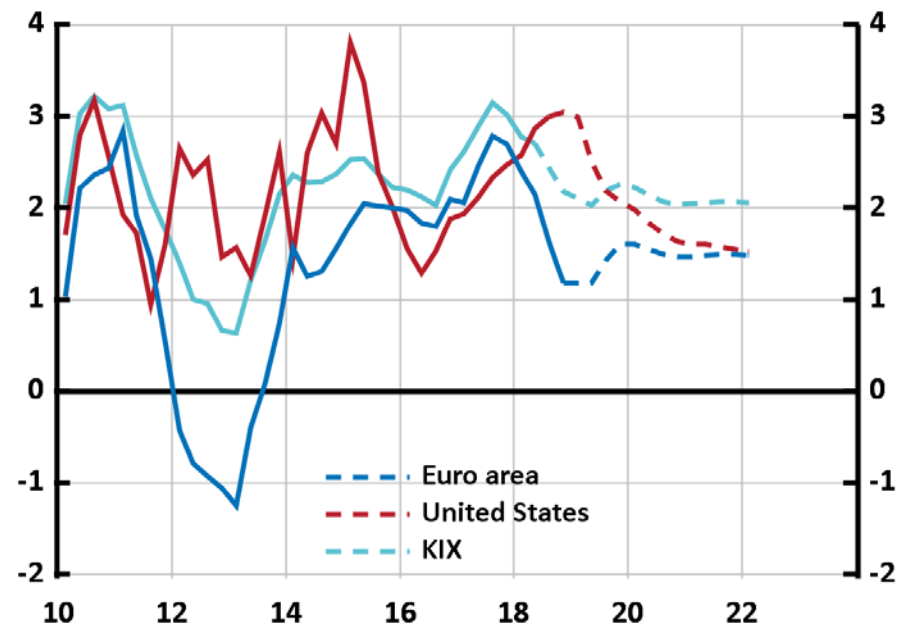


Annual percentage change and per cent. The KIX is an aggregate of countries that are important for Sweden's international transactions.

Sources: National sources, Statistics Sweden and the Riksbank

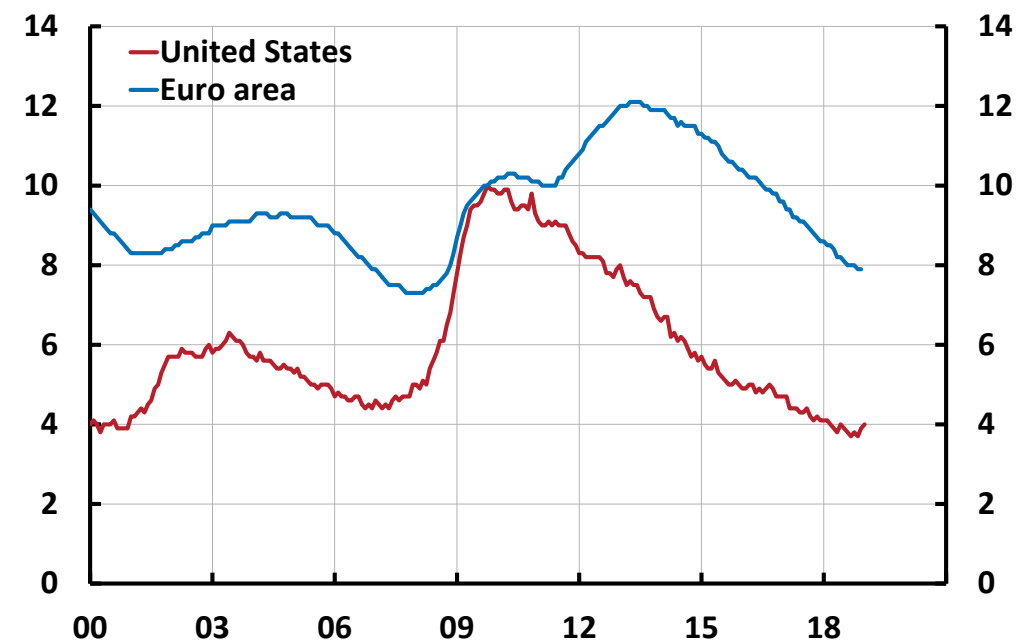
Global economic activity in a calmer phase

Growth has been high



Annual percentage change and share of labour force.

Unemployment has fallen



Source: Bureau of Economic Analysis, Eurostat, OECD and the Riksbank

Many uncertainty factors abroad



Strength of the European economy

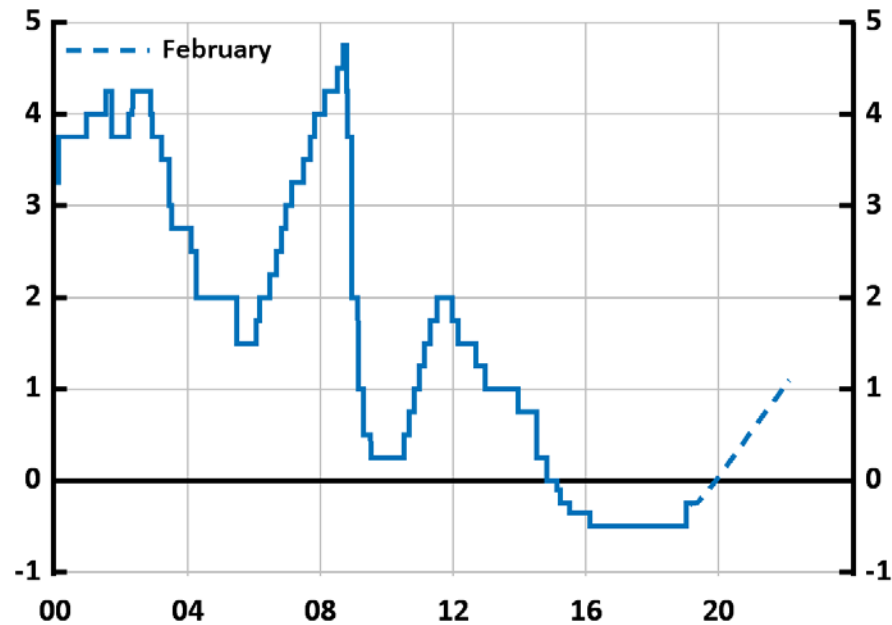


Trade conflict between the US and China



Brexit

Interest rate to be raised slowly going forward



Per cent

- Risks and uncertainty abroad
- Need to remain vigilant about inflationary pressures
- Monetary policy adapted according to economic outlook and inflation prospects

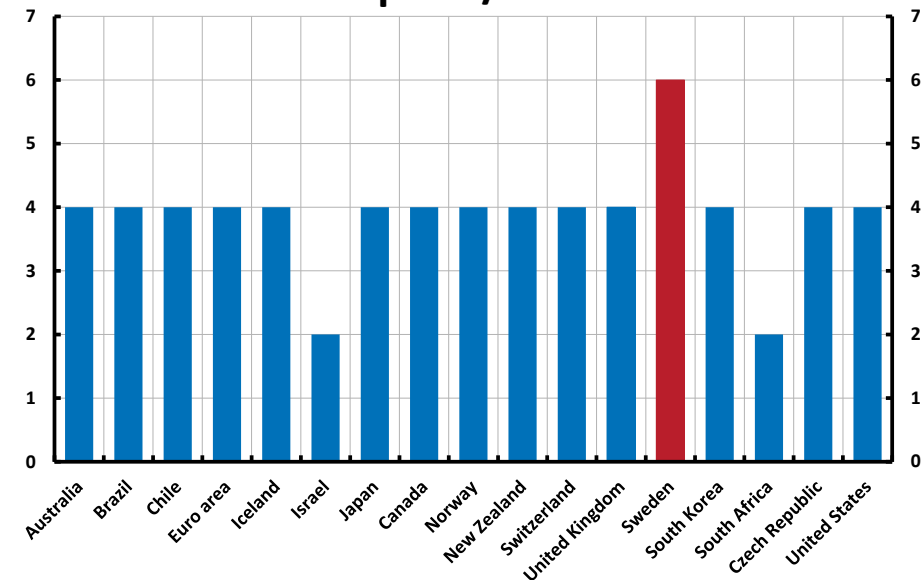
Source: The Riksbank

Review of the monetary policy process

Number of monetary policy meetings and reports has varied over the years

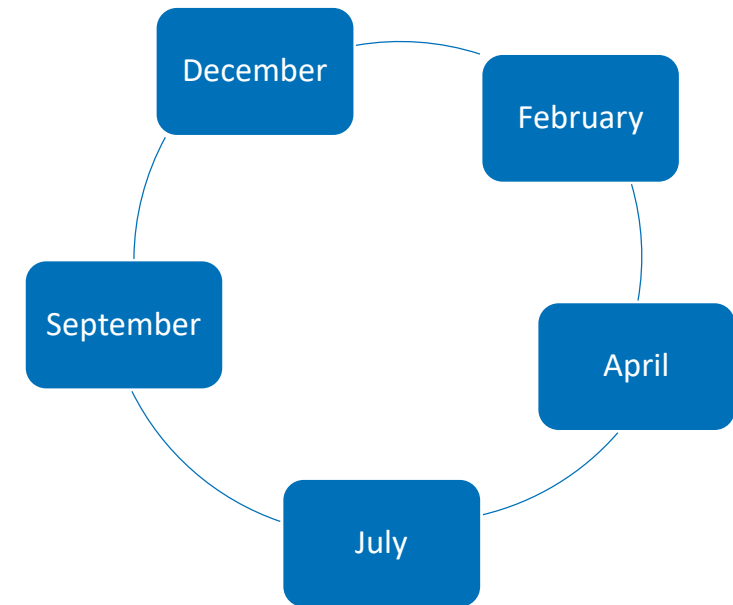
- Currently six meetings a year
- 6-8 week-long monetary policy process
- Monetary policy report with detailed forecasts each time
- Fewer monetary policy meetings, but more published forecasts than other central banks

Number of published monetary policy reports/forecasts



Five monetary policy meetings

- Starting point: Same basis for decision and publish similar information each time
- Extensive forecasting work
- Five monetary policy meetings are enough to be able to conduct a well-balanced monetary policy
- If necessary, we can always hold an extraordinary monetary policy meeting



Free up resources for more in-depth monetary policy analysis and greater local presence

More in-depth monetary policy analysis

Example:

- Monetary policy strategy when interest rates are low
- Wages and inflation abroad
- Digitalisation, competition and inflation
- Effects of migration and demographic trends

Meetings and discussions with target groups in Sweden

