

Perspectives on monetary policy

Riksdag Committee on Finance
7 March 2019

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

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Deputy Governor

My presentation today

- I support the assessments and the monetary policy decision in February
- We have a long period of very expansionary monetary policy behind us
- According to our forecasts, we have entered a slow normalisation process
- Appropriate time to provide some perspective on monetary policy and its effects
- **Distributional effects** a topical issue

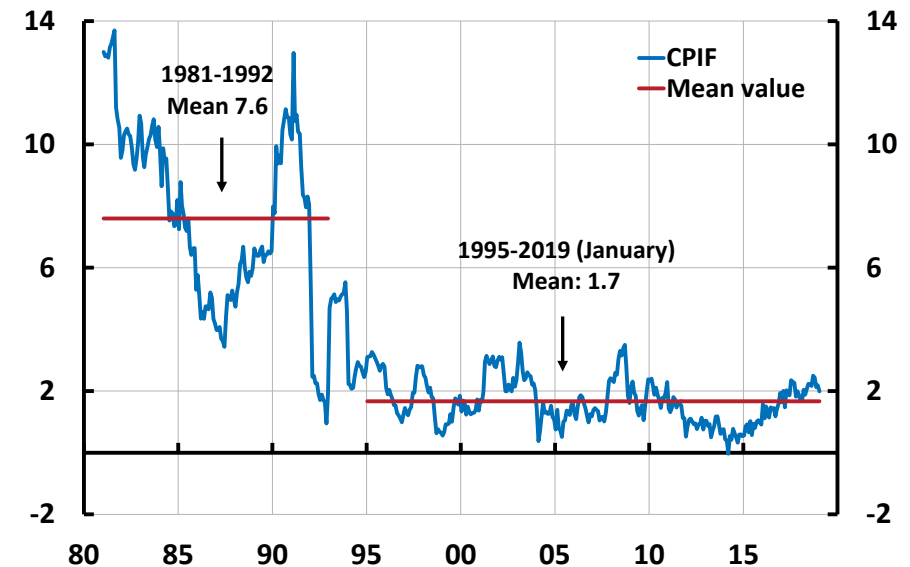
Low and stable inflation helps to avoid arbitrary redistribution

PRESS RELEASE 5/1993

15 January 1993

THE RIKSBANK SPECIFIES THE TARGET FOR MONETARY POLICY

Price stability creates good conditions for economic growth, high employment and **combats arbitrary income and wealth redistribution**

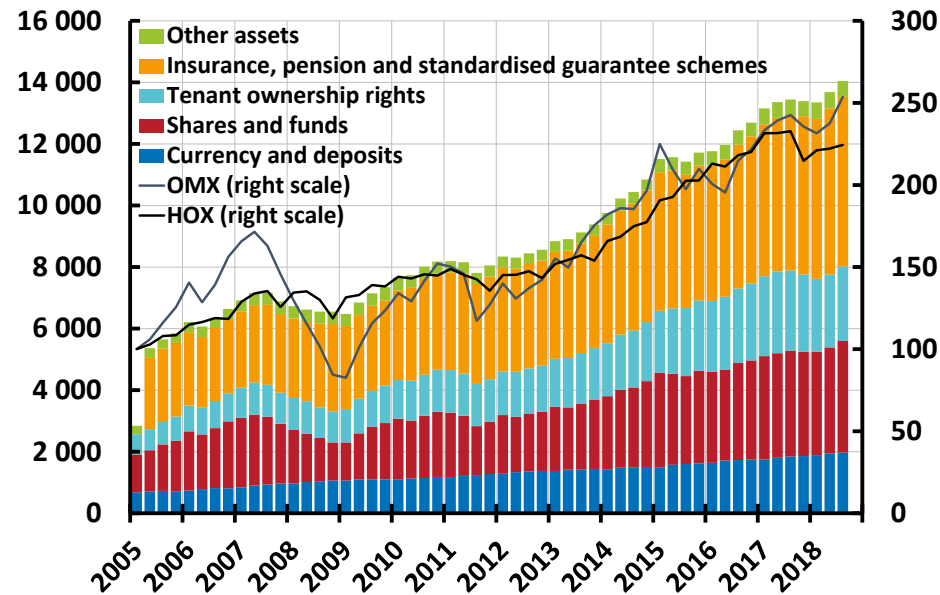


Note. Annual percentage change. Inflation outcomes for the period before 2005 are calculated in accordance with the method used in real time during this period.

Source: Statistics Sweden and the Riksbank

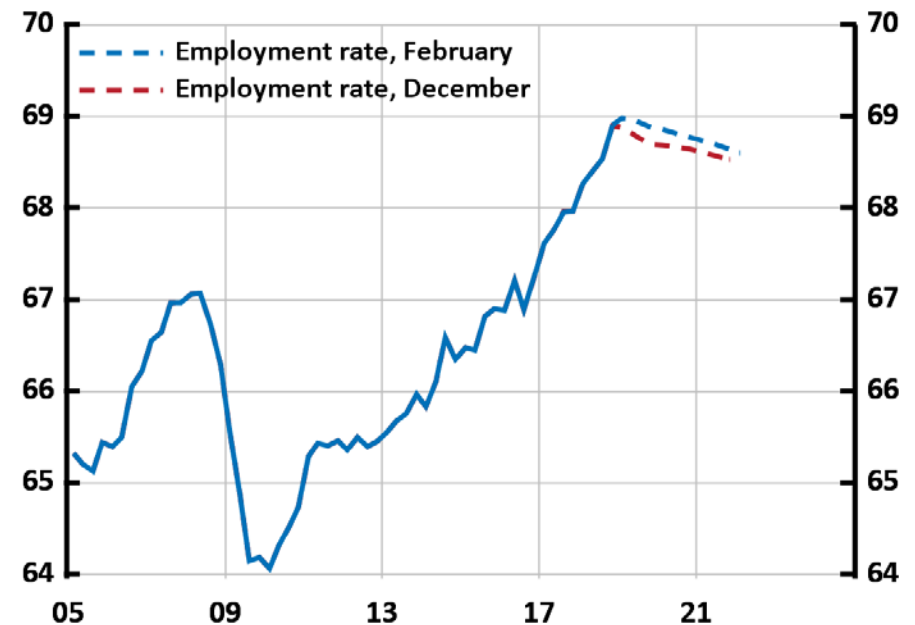
The expansionary monetary policy of recent years has been aimed at achieving the inflation target, but has also had distributional effects

Rising asset prices have benefited certain groups ...



Note. Thousands, index (Q1 2005 = 100) and per cent of the population, aged 15-74, seasonally adjusted data.

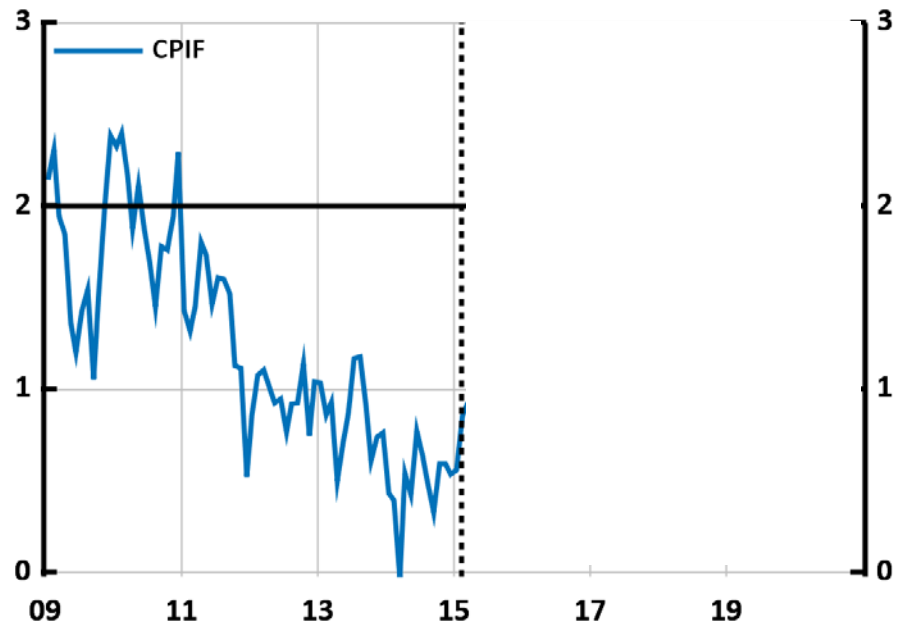
... while more people in work has contributed to income equalisation



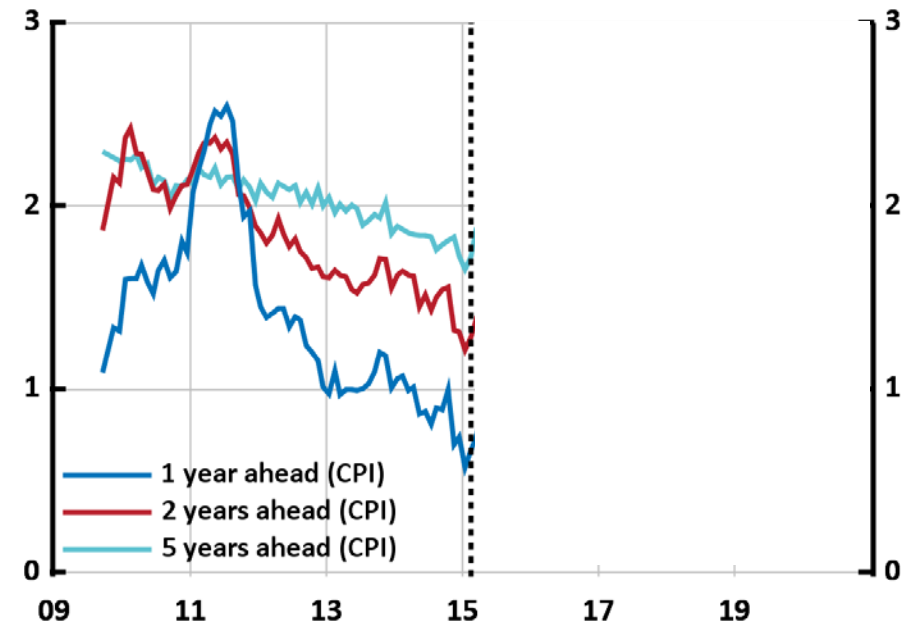
Source: Statistics Sweden, Valueguard and the Riksbank

Difficult monetary policy situation 2014-2015

Inflation



Inflation expectations



Note. Annual percentage change. Inflation expectations refer to averages among money market participants.

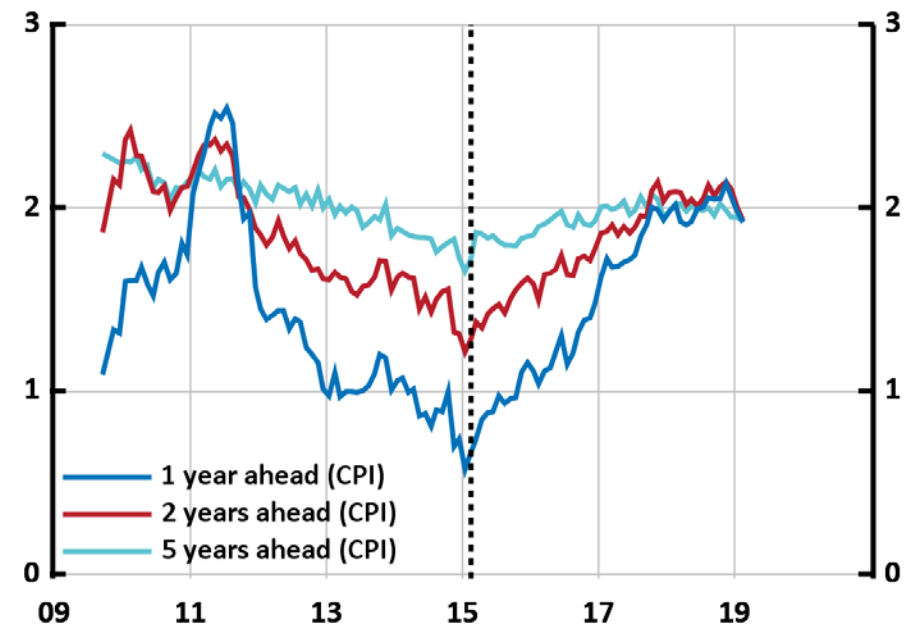
Sources: Statistics Sweden and Kantar Sifo Prospera

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