

Account of Monetary Policy 2024

Erik Thedéen, Governor of the Riksbank

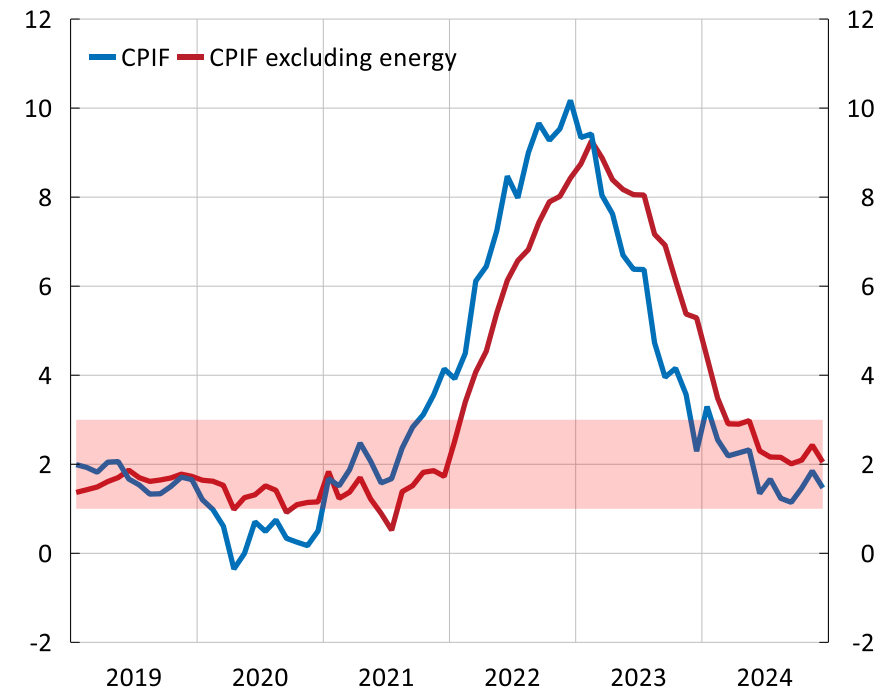
Riksdag Committee on Finance

3 June 2025

Inflationary pressures eased in 2024

- Falling energy prices contributed to lower inflation
- The CPIF excluding energy also declined gradually and stabilised close to 2 per cent
- The Riksbank assesses that target fulfilment was good

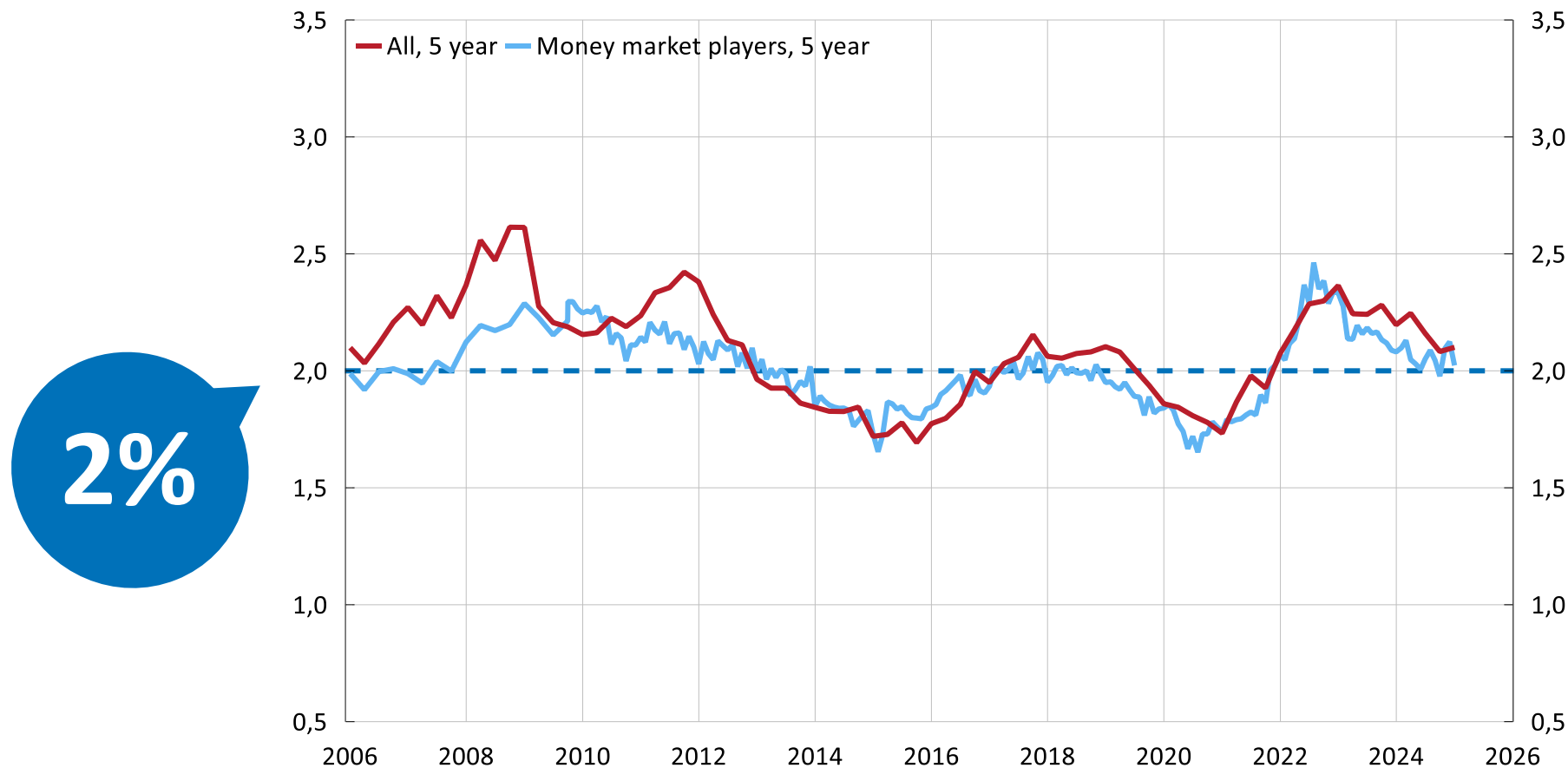
Inflation continued to fall in 2024



Annual percentage change. The pink area shows the Riksbank's variation band and covers about three-quarters of the CPIF outcomes since January 1995.

Sources: Statistics Sweden and the Riksbank.

Inflation expectations anchored to the target

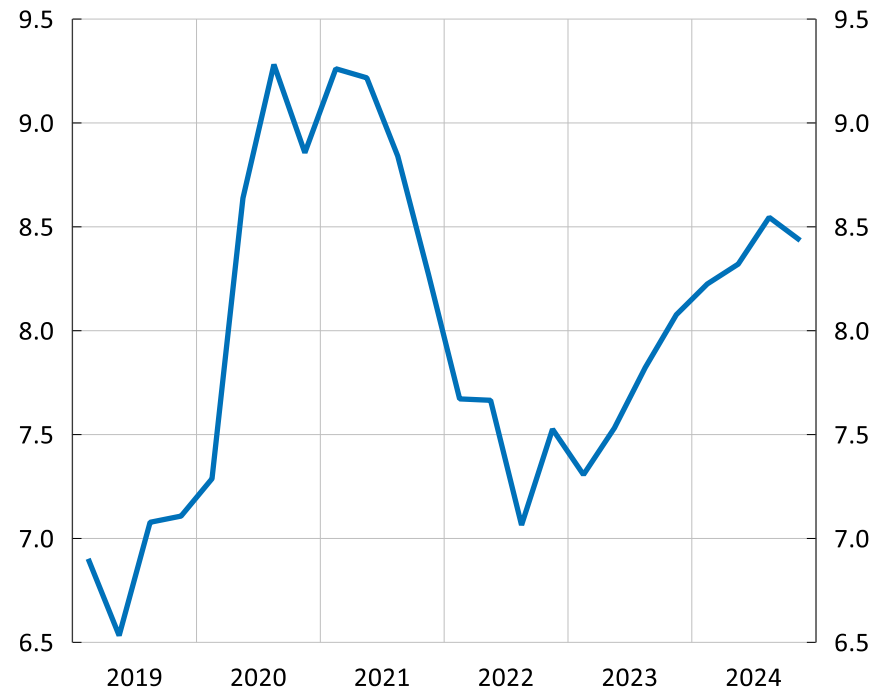


Per cent. Expectations refer to the CPI in five years. The dashed blue line indicates the price stability target.

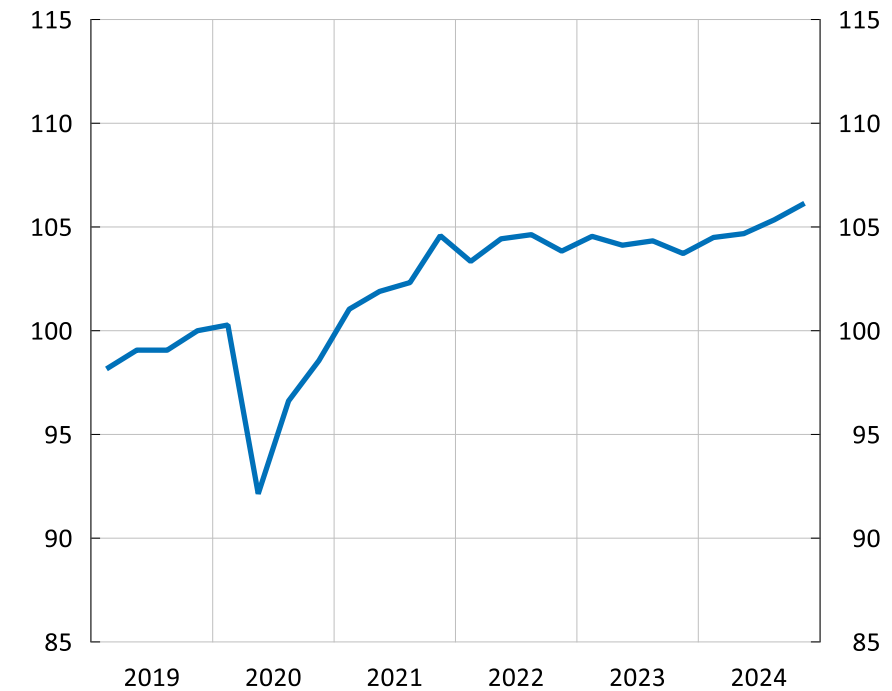
Source: Origo Group.

Weak economy but recovery in autumn

Unemployment



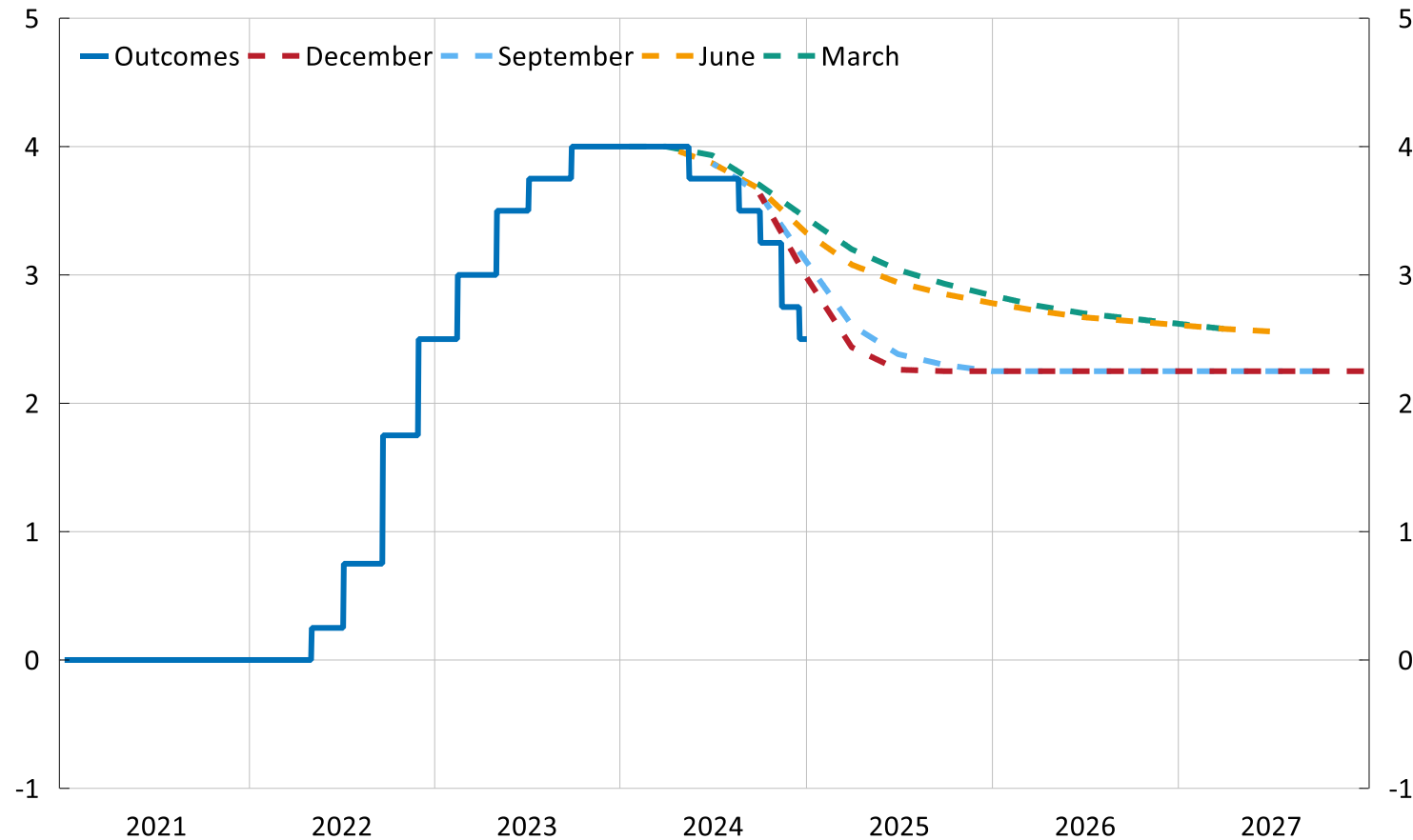
GDP



Unemployment as a percentage of the labour force (left).
Index, 2019 Q4 = 100 (right). Seasonally adjusted data.

Source: Statistics Sweden.

As the inflation outlook became more stable, the policy rate was cut

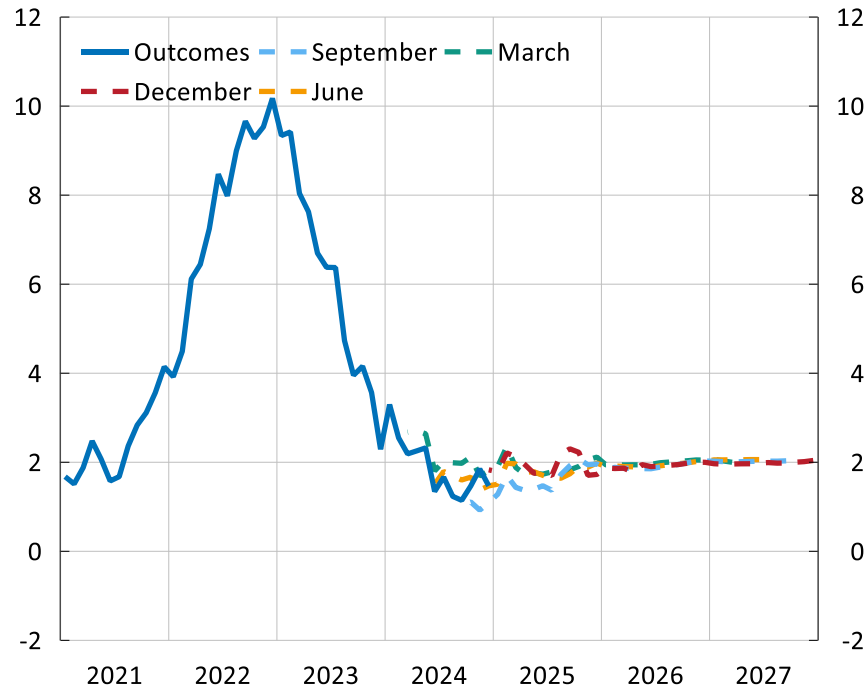


Per cent. The solid line represents outcomes, the dashed line represents the forecasts from the Monetary Policy Report during 2024.

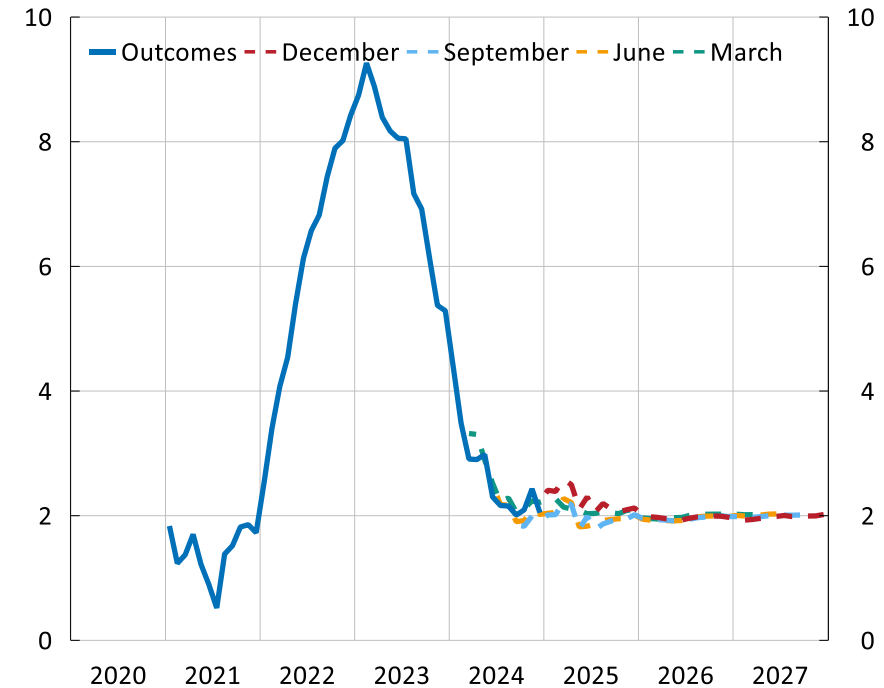
Source: The Riksbank.

Inflation forecasts relatively accurate

CPIF



CPIF excluding energy



Annual percentage change. Solid lines represent outcomes, dashed lines represent the forecasts in the Monetary Policy Reports during 2024.

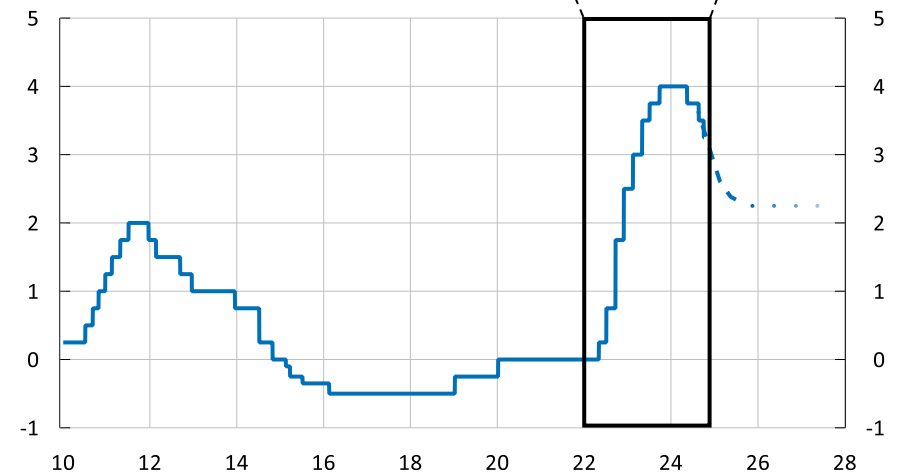
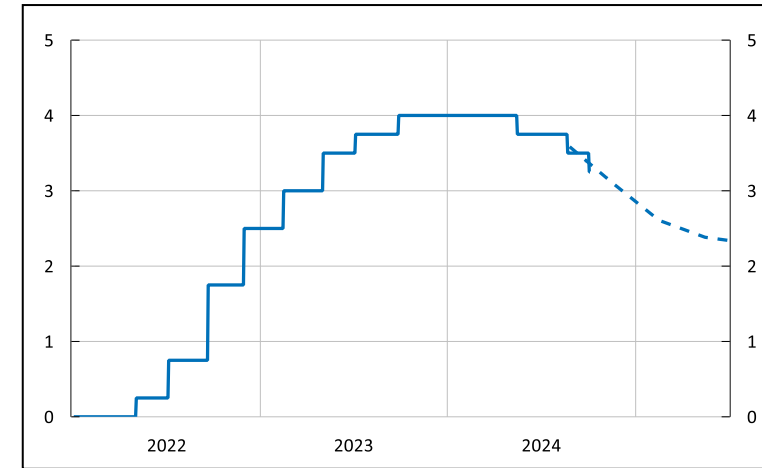
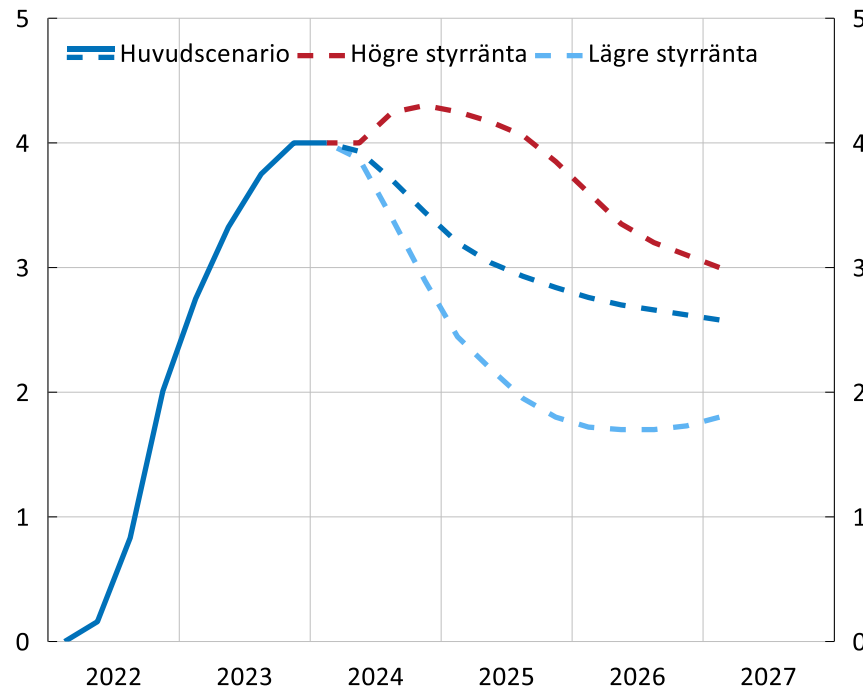
Sources: Statistics Sweden and the Riksbank.

Changing conditions during the year

- At the beginning of the year, inflation risks outweighed on the upside
- Uncertainty about the monetary policy needed to stabilise inflation around the target – especially after large deviations
- Lower inflation and more stable inflation outlook over the year
- Faster rate cuts in the second half of the year to provide more support to the real economy



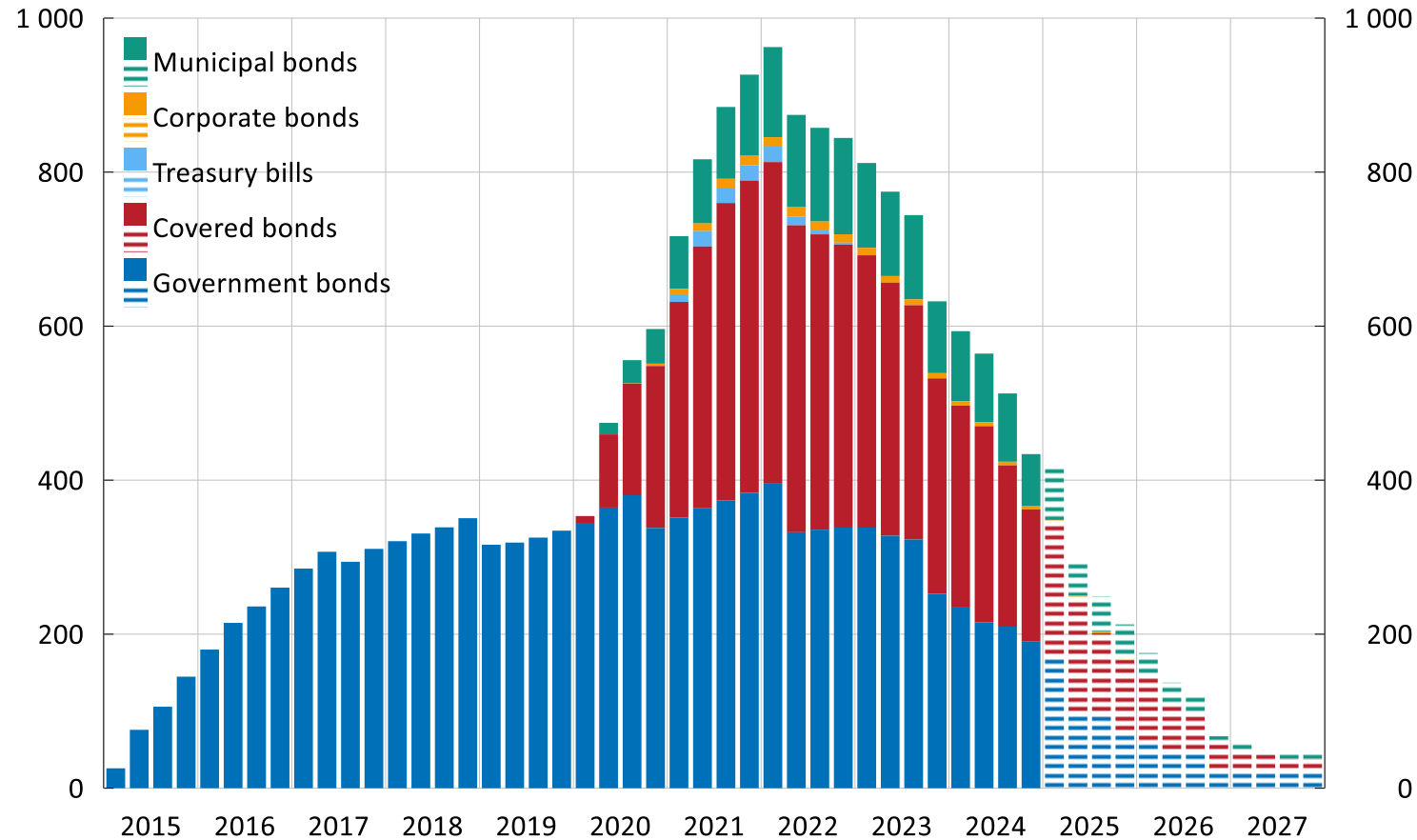
Communication was customised to increase clarity



Per cent. Alternative scenarios for the policy rate from the Monetary Policy Report (MPR) in March 2024 (left). Short and long horizons for the policy rate path from the MPR in September 2024 (right). Solid lines refer to outcomes and dashed lines to scenarios and forecasts.

Source: The Riksbank.

Continued balance sheet normalisation



2024:
-198 bn

Nominal amounts, SEK billion.

Source: The Riksbank.

Concluding thoughts

- The Riksbank and evaluators assess that the target fulfilment was good
- Inflation and related expectations were in line with the target
- High uncertainty about the inflation outlook and the economic situation
- Gradual adjustment of monetary policy proved also to be a wise strategy considering the situation in 2025



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