

# PRESS RELEASE

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## Policy rate raised by 0.75 percentage points

*Inflation is still far too high. The high inflation undermines purchasing power for many people and makes it more difficult for households and companies to plan their finances. To bring down inflation and safeguard the inflation target, the Executive Board has decided to raise the policy rate by 0.75 percentage points to 2.5 per cent. The forecast shows that the policy rate will probably be raised further at the beginning of next year and then be just below 3 per cent. It is still difficult to assess how inflation will develop and the Riksbank will adapt monetary policy as necessary to ensure that inflation is brought back to the target within a reasonable time.*

### High global inflation and rising interest rates

High demand, combined with various disruptions in, for instance, production, transports and energy supply has pushed up the rate of price increase in the global economy. To bring down inflation, central banks around the world have raised their policy rates over the past year and communicated that they intend to continue to do so for some time to come. This has contributed to the imbalances between supply and demand having declined, which indicates that price and cost increases will slow down and inflation in the global economy will fall back.

### Inflation in Sweden is too high

In Sweden, too, inflation is still too high. In October, CPIF inflation was 9.3 per cent. This was somewhat below the Riksbank's forecast in September, but is entirely due to energy prices being lower than expected. Disregarding energy prices, inflation has instead been unexpectedly high, which indicates that inflationary pressures are somewhat higher than expected. The risk of the current high inflation will become entrenched is still substantial, and it is very important that monetary policy acts to ensure inflation falls back and stabilises around the target of 2 per cent within a reasonable time.

### Higher policy rate to bring down inflation

The Executive Board assesses that monetary policy needs to be tightened more than was anticipated in September to bring inflation back to the target. To bring down inflation and safeguard the inflation target, the Executive Board has



therefore decided to raise the policy rate by 0.75 percentage points to 2.5 per cent. The policy rate is expected to be raised further at the beginning of next year to then be just under 3 per cent. In line with previous forecasts, the Riksbank will from the start of next year allow its holdings of securities to decrease in line with maturities. This also entails some tightening of monetary policy.

### Important that monetary policy acts when inflation is too high

Rising prices and higher interest costs are noticeable for households and companies, and many households will face significantly higher living costs. However, it would be even more noticeable for households and the Swedish economy in general if inflation remained at the current high levels. As the Riksbank is raising the policy rate more now, the risk of high inflation for a long time is reduced, as is the risk of even greater monetary tightening further ahead.

### Forecast for Swedish inflation, GDP, unemployment and the policy rate

Annual percentage change, annual and quarterly averages respectively

	2022	2023	2024	2025	2025 Q4
<b>CPI</b>	8.3 (8.6)	9.3 (8.5)	3.0 (2.2)	2.4	2.2
<b>CPIF</b>	7.6 (7.8)	5.7 (5.1)	1.5 (1.6)	2.0	2.0
<b>GDP</b>	2.7 (2.7)	-1.2 (-0.7)	1.0 (1.1)	1.7	2.0
<b>Unemployment, per cent</b>	7.4 (7.5)	7.9 (7.9)	8.3 (8.2)	8.3	8.2
<b>Policy rate, per cent</b>	0.7 (0.7)	2.8 (2.5)	2.8 (2.5)	2.8	2.8

Note. The assessment in the September 2022 Monetary Policy Report is shown in brackets. Calendar-adjusted GDP growth and seasonally adjusted LFS unemployment in 2025 Q4.

Sources: Statistics Sweden and the Riksbank

### Forecast for the policy rate

Per cent, quarterly mean values

	2022 Q3	2022 Q4	2023 Q4	2024 Q4	2025 Q4
<b>Policy rate</b>	0.83 (0.82)	2.00 (1.90)	2.84 (2.53)	2.84 (2.44)	2.84

Note. The assessment in the September 2022 Monetary Policy Report is shown in brackets.

Source: The Riksbank

The decision on the policy rate will apply with effect from 30 November. The minutes from the Executive Board's monetary policy meeting will be published on 5 December. A press conference with Governor Stefan Ingves and Jesper Hansson, Head of the Monetary Policy Department, will be held today at 11:00 am at the Riksbank, but pre-registered journalists can also participate and ask questions via Zoom. Press cards or the equivalent must be shown to attend. The press conference will be broadcast live on riksbank.se. Journalists who wish to participate and ask questions via Zoom must pre-register with the press office, either by telephone 08-787 0200 or by e-mail to [susanne.meyer@riksbank.se](mailto:susanne.meyer@riksbank.se), no later than 10.00 am on 24 November.