

# PRESS RELEASE



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## Policy rate held unchanged at 4 per cent

*Inflation is still too high and there are still risks that it will not continue falling fast enough and stabilise at the target. But inflation has fallen and inflationary pressures have clearly eased. The Executive Board has decided to hold the policy rate unchanged at 4 per cent. The Executive Board assesses that monetary policy needs to be contractionary and is prepared to raise the policy rate further if inflation prospects deteriorate.*

### **Clear signs that inflation is on the way down, but risks remain**

Tight monetary policy abroad is contributing to inflation continuing to fall back from last year's peak levels.

Inflation is also falling in Sweden, roughly in line with the Riksbank's previous assessment. Monetary policy has dampened demand in the Swedish economy and is contributing to a slowdown in inflationary pressures. In recent months, consumer prices have increased at a slower pace than before, and companies no longer plan to raise prices as much. The labour market is weakening from a strong starting point.

However, inflation is still too high and there are still risks that it will not fall fast enough going forward. Prices for services are increasing at a rapid pace and contributing significantly to total inflation. In addition, the krona is still unjustifiably weak, which is holding up the rate of price increase for goods.

### **Contractionary monetary policy so inflation will be low and stable**

All in all, the Executive Board assesses that monetary policy needs to remain contractionary, but that it is appropriate now to hold the policy rate unchanged. The Executive Board has therefore decided to allow the policy rate to remain at 4 per cent, but is prepared to raise it further if the prospects for inflation deteriorate.

The forecast for the policy rate is that it may be raised further at the start of next year and that monetary policy needs to be contractionary for a relatively long period of time for inflation to fall back and stabilise close to the target of 2 per



cent. New information and how it is assessed to affect the economic outlook and inflation prospects will be decisive in determining the monetary policy stance. The Riksbank is also considering increasing the pace of sales of government bonds. A decision on this could be made at the monetary policy meeting in January.

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

Annual percentage change, annual and quarterly averages respectively

	2022	2023	2024	2025	2026	2026 Q4
<b>CPI</b>	8.4 (8.4)	8.6 (8.6)	4.4 (4.6)	2.4 (2.4)	1.9	1.8
<b>CPIF</b>	7.7 (7.7)	6.0 (5.9)	2.3 (2.5)	1.7 (1.8)	2.0	2.0
<b>GDP</b>	2.8 (2.8)	-0.7 (-0.8)	-0.2 (-0.1)	1.9 (1.9)	2.8	2.6
<b>Unemployment, per cent</b>	7.5 (7.5)	7.7 (7.4)	8.6 (8.3)	8.5 (8.3)	8.2	8.0
<b>Policy rate, per cent</b>	0.8 (0.8)	3.5 (3.5)	4.1 (4.1)	4.0 (4.0)	3.6	3.5

Note. The assessment in the September 2023 Monetary Policy Report is shown in brackets. Calendar-adjusted GDP growth and seasonally adjusted LFS unemployment in 2026 Q4.

Sources: Statistics Sweden and the Riksbank

### Forecast for the policy rate

Per cent, quarterly mean values

	2023 Q3	2023 Q4	2024 Q4	2025 Q4	2026 Q4
<b>Policy rate</b>	3.75 (3.75)	4.00 (4.03)	4.10 (4.10)	3.87 (3,95)	3.51

Note. The assessment in the September 2023 Monetary Policy Report is shown in brackets.

Source: The Riksbank

### Press conference in Jönköping

The decision on the policy rate will apply from 29 November. The minutes from the Executive Board's monetary policy meeting will be published on 4 December. A press conference with Governor of the Riksbank Erik Thedéen and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at Jönköping University Library, Gjuterigatan 5, but pre-registered journalists can also participate and ask questions via Zoom. Press cards or the equivalent are required to participate. 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 on 23 September.