



PRESS RELEASE

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CONTACT: Press Office tel. +46 8 787 02 00

Policy rate unchanged at 4 per cent

Inflation is in the process of stabilising at the target, but inflationary pressures are still somewhat elevated. The Executive Board has therefore decided to leave the policy rate unchanged at 4 per cent. It is likely that the policy rate can be cut in May or June if inflation prospects remain favourable.

Inflation in the process of stabilising at the target

The Riksbank's rate increases and diminishing effects of supply shocks have contributed to lower inflationary pressures. Inflation expectations are firmly anchored and wage increases are moderate. Inflation has continued to fall, and forward-looking indicators imply that it is approaching 2 per cent.

Given the very high inflation in recent years and changed pricing behaviour in the corporate sector, the Executive Board wants further confirmation that inflation will stabilise close to the target. The risk of inflation becoming entrenched at levels that are too high is continuing to decline, but inflationary pressures are still somewhat elevated. The Executive Board has therefore decided to leave the policy rate unchanged at 4 per cent.

The need for contractionary monetary policy declines when inflation falls towards the target and economic activity is weak. If the inflation prospects remain favourable, the policy rate may well be cut in May or June.

Monetary policy needs to be adjusted cautiously

However, the Executive Board emphasises that there are risks that could cause inflationary pressures to rise again. These include new supply shocks following on from the geopolitical unrest, the krona continuing to weaken or companies' pricing behaviour not normalising as expected. Monetary policy should therefore be adjusted cautiously going forward, in the form of gradual cuts in the policy rate. New information and how it is expected to affect the prospects for the economy and inflation is decisive in determining monetary policy.

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

Postal address: 103 37 Stockholm, Visitors: Brunkebergstorg 11
Telephone: +46-(0)8-787 00 00, Website: [riksbank.se](https://www.riksbank.se)

Forecasts for Swedish inflation, GDP, unemployment and the policy rate

Annual percentage change, annual and quarterly averages

	2023	2024	2025	2026	2027 Q1
CPI	8.5 (8.6)	3.5 (4.4)	1.5 (2.4)	1.6 (1.9)	1.9
CPIF	6.0 (6.0)	2.3 (2.3)	1.9 (1.7)	2.0 (2.0)	2.0
GDP	-0.2 (-0.7)	0.3 (-0.2)	1.9 (1.9)	2.4 (2.8)	2.1
Unemployment, per cent	7.7 (7.7)	8.3 (8.6)	8.2 (8.5)	8.0 (8.2)	7.9
Policy rate, per cent	3.5 (3.5)	3.8 (4.1)	3.0 (4.0)	2.7 (3.6)	2.6

Note. Assessment in the Monetary Policy Report in November 2023 in brackets. Calendar-adjusted GDP growth and seasonally adjusted LFS unemployment in 2027 Q1.

Sources: Statistics Sweden and the Riksbank

Policy rate forecast

Per cent, quarterly averages

	2024 Q1	2024 Q2	2024 Q3	2025 Q1	2026 Q1	2027 Q1
Policy rate	4.00 (4.04)	3.93 (4.10)	3.70 (4.10)	3.20 (4.10)	2.76 (3.78)	2.58

Note. Assessment in the November 2023 Monetary Policy Report in brackets.

Source: The Riksbank

The decision on the policy rate will apply from 3 April. The minutes of the Executive Board's monetary policy meeting will be published on 4 April. A press conference with Governor Erik Thedén and Åsa Olli Segendorf, Head of the Monetary Policy Department, will be held today at 11.00 at the Riksbank. Press cards or the equivalent are required to participate. The press conference will be broadcast live on riksbank.se.