

PRESS RELEASE

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Policy rate unchanged at 3.75 per cent

Inflation is close to the target and economic activity is weak. The Executive Board considers that monetary policy should be adjusted gradually, and has decided to hold the policy rate unchanged at 3.75 per cent. If inflation prospects remain the same, the policy rate can be cut two or three times during the second half of the year.

Inflation has continued to fall and is now close to the target of 2 per cent. The conditions for an inflation rate in line with the target also in the slightly longer term are good. Long-term inflation expectations are signalling strong confidence in the target and wage increases are moderate.

New information indicates that inflationary pressures are largely as expected. The policy rate is being held unchanged at 3.75 per cent, in line with the forecast in March and the communication in the May Monetary Policy Update.

Inflation developments have been favourable since the end of last year. Inflation excluding energy prices has fallen to 3 per cent, and the outcomes since last autumn have been lower than the Riksbank's forecasts. However, the most recent outcome for inflation excluding energy prices was somewhat higher than expected, which underlines that there can be setbacks when inflation adjusts towards the target. This emphasises the need for policy rate cuts to be made gradually.

Given that inflation is fundamentally developing favourably, economic activity is assessed to be somewhat weaker, and the krona exchange rate is a little stronger, the forecast for the policy rate has been adjusted down somewhat. If inflation prospects remain the same, the policy rate can be cut two or three times during the second half of the year. But the prospects for inflation and economic activity are uncertain. There are risks linked, for instance, to inflation abroad, geopolitical unease, the krona exchange rate and the recovery in the Swedish economy that can lead to the policy rate being either higher or lower than forecast.

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

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

Annual percentage change, annual and quarterly averages

	2023	2024	2025	2026	2027 Q2
CPI	8.5 (8.5)	3.1 (3.5)	1.3 (1.5)	1.6 (1.6)	2.0
CPIF	6.0 (6.0)	2.0 (2.3)	1.8 (1.9)	1.9 (2.0)	2.1
GDP	-0.2 (-0.2)	1.1 (0.3)	1.7 (1.9)	2.4 (2.4)	2.1
Unemployment, per cent	7.7 (7.7)	8.5 (8.3)	8.3 (8.2)	8.0 (8.0)	7.7
Policy rate, per cent	3.5 (3.5)	3.7 (3.8)	2.9 (3.0)	2.7 (2.7)	2.6

Note. The assessment in the Monetary Policy Report in March 2024 is shown in brackets. Calendar-adjusted GDP growth and seasonally adjusted LFS unemployment in 2027 Q2.

Sources: Statistics Sweden and the Riksbank

Policy rate forecast

Per cent, quarterly averages

	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2026 Q2	2027 Q2
Policy rate	3.87 (3.93)	3.67 (3.70)	3.33 (3.44)	3.08 (3.20)	2.67 (2.70)	2.56

Note. The assessment in the Monetary Policy Report in March 2024 is shown in brackets.

Source: The Riksbank

The decision on the policy rate will apply with effect from 3 July. The minutes from the Executive Board's monetary policy meeting will be published on 3 July. A press conference with Governor Erik Thedéen 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.