

Payment system of today and tomorrow

DI, Framtidens betalningar (5
November 2019)

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Governor

What is money?

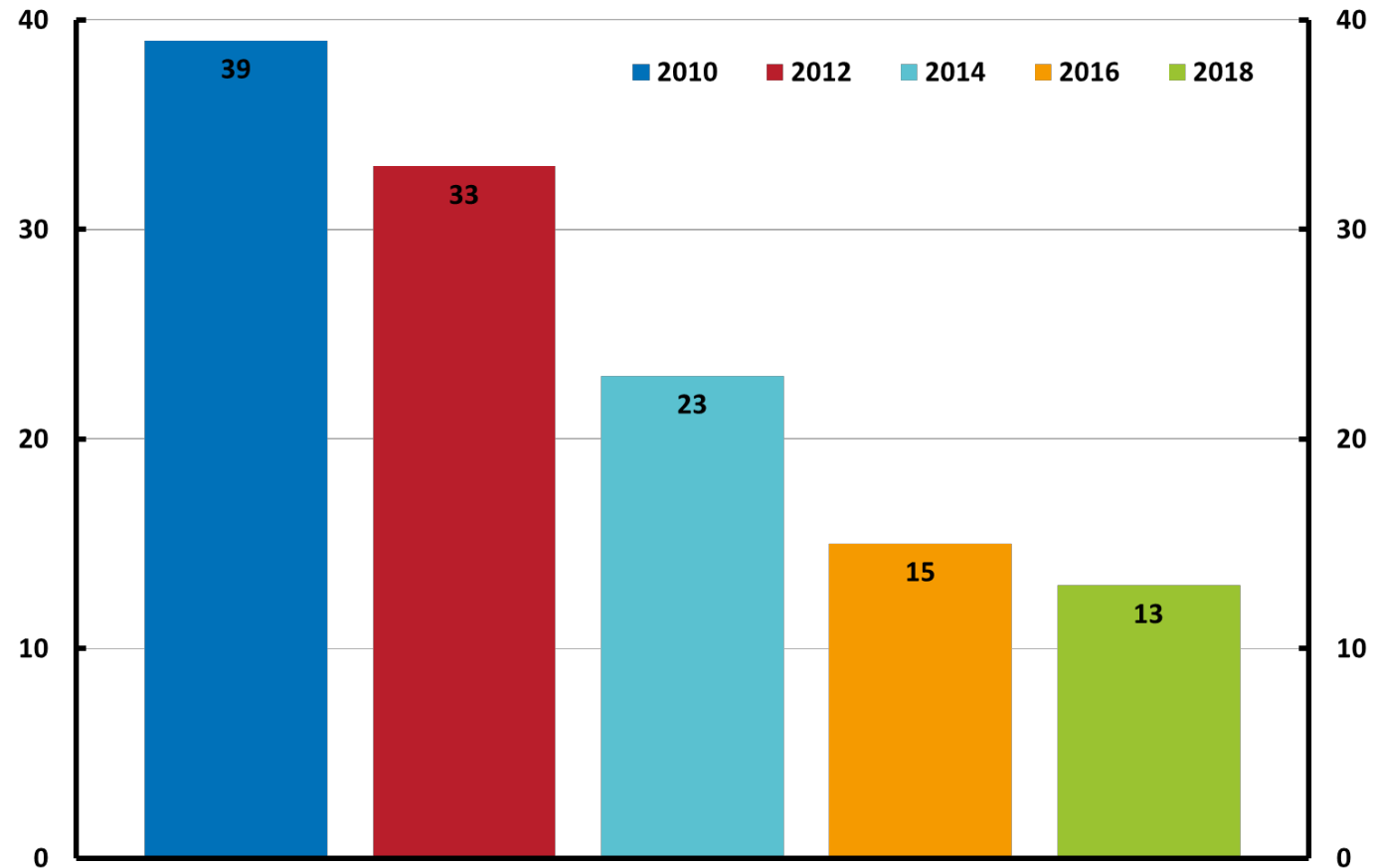


Rapid changes in the payments market

- Central banks must meet the challenges and think in new ways
 - Use new technologies
 - Offer new services
 - Increase international cooperation



Fewer and fewer people are paying in cash



Note. Percentage who paid for their most recent purchase in cash

Source: The Riksbank

Why do we care about cash?



Cash should remain in circulation



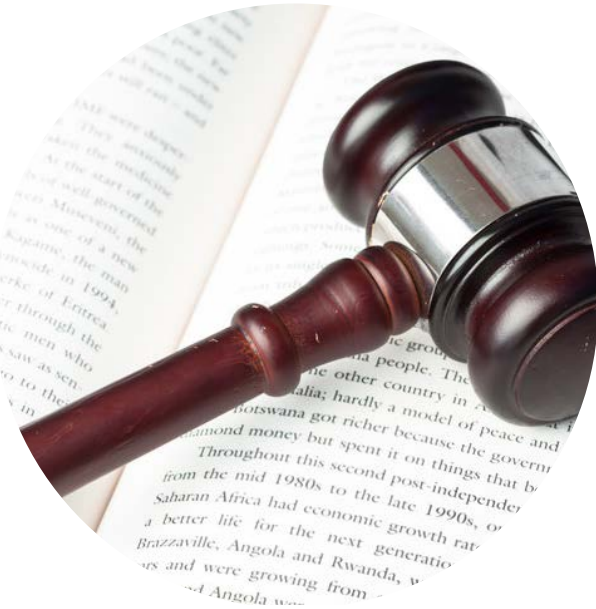
Vulnerability

Availability

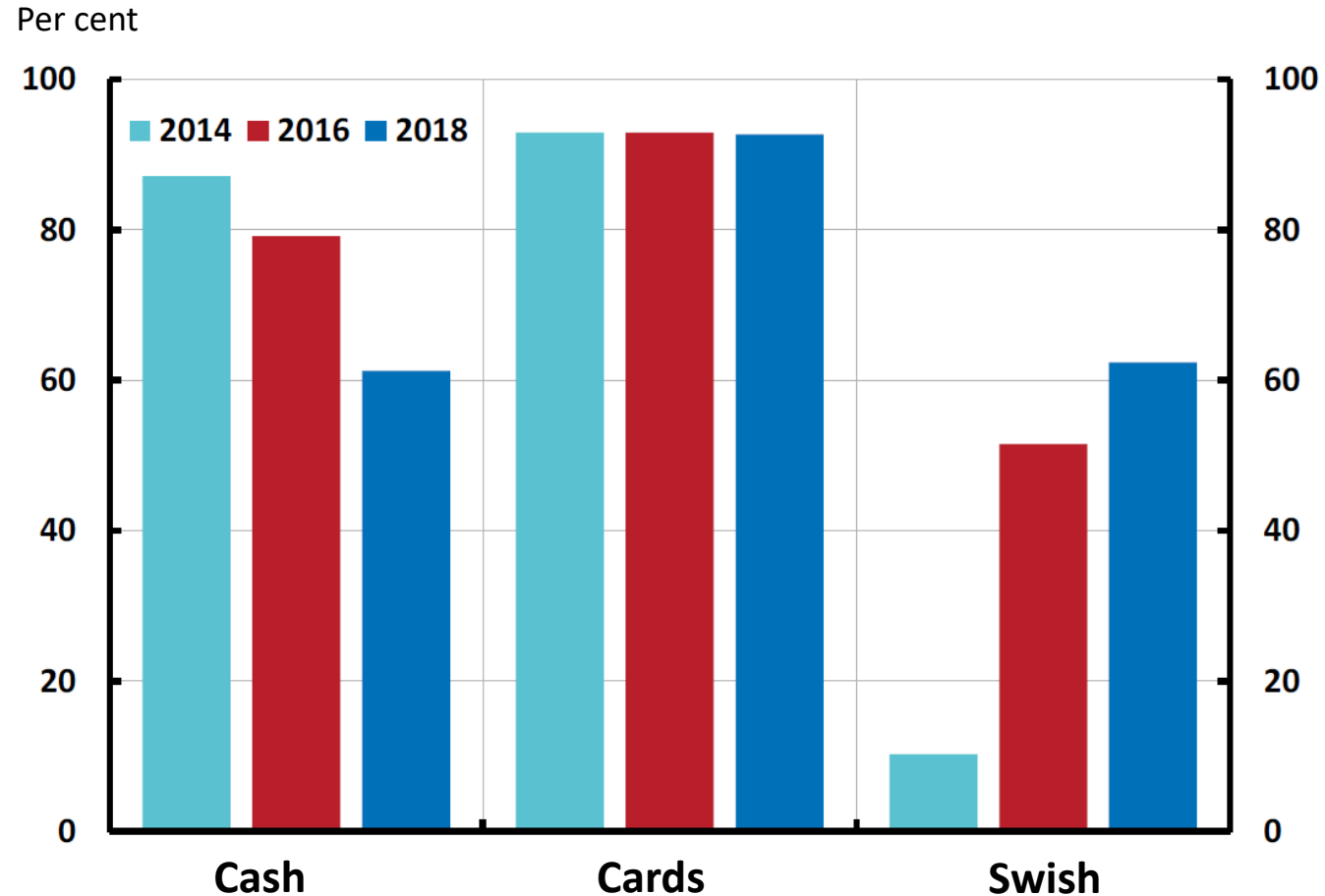
Competition

It should be possible to use cash

- The status of cash as legal tender needs to be clarified



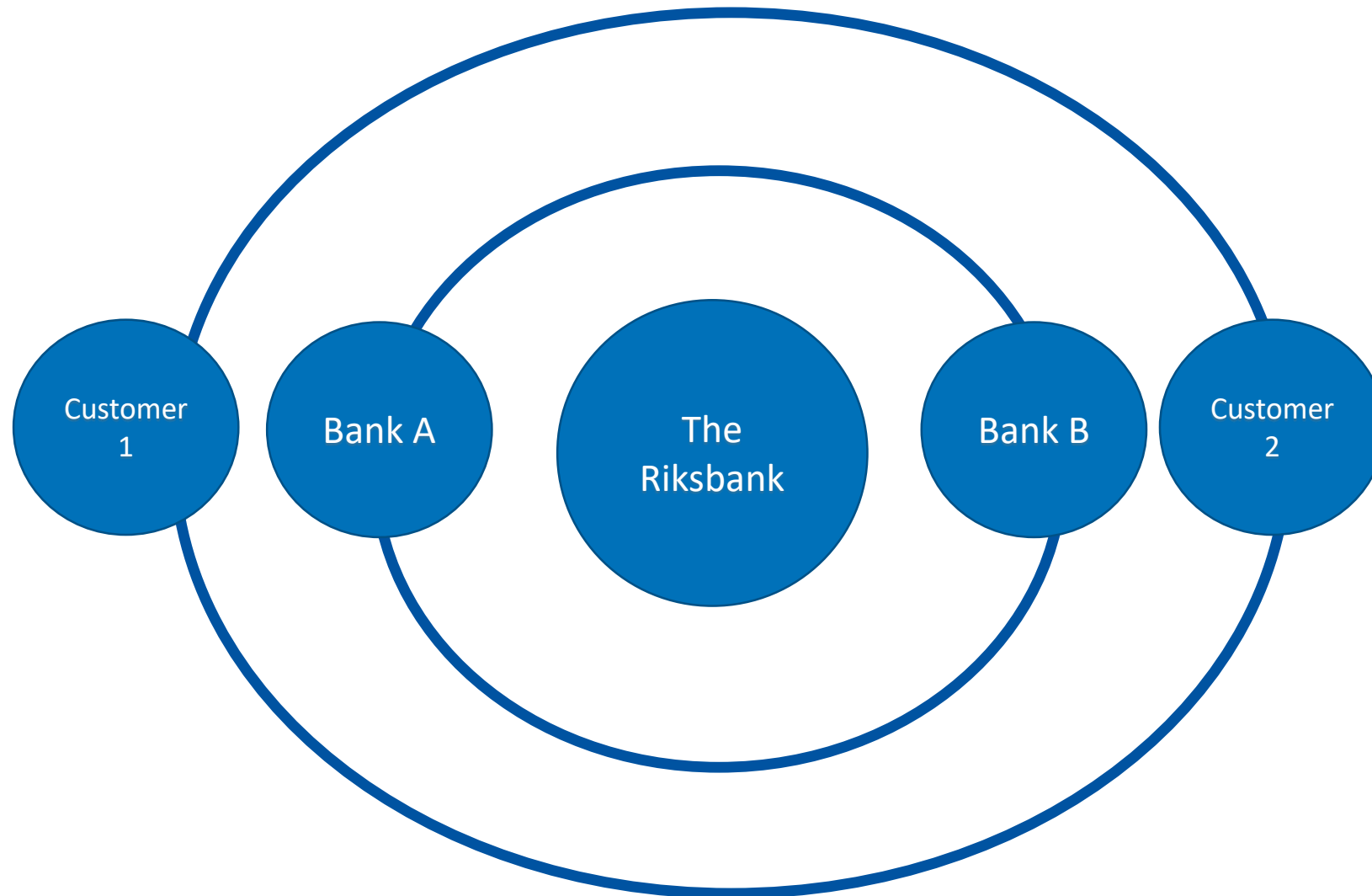
But people will nevertheless want to pay digitally



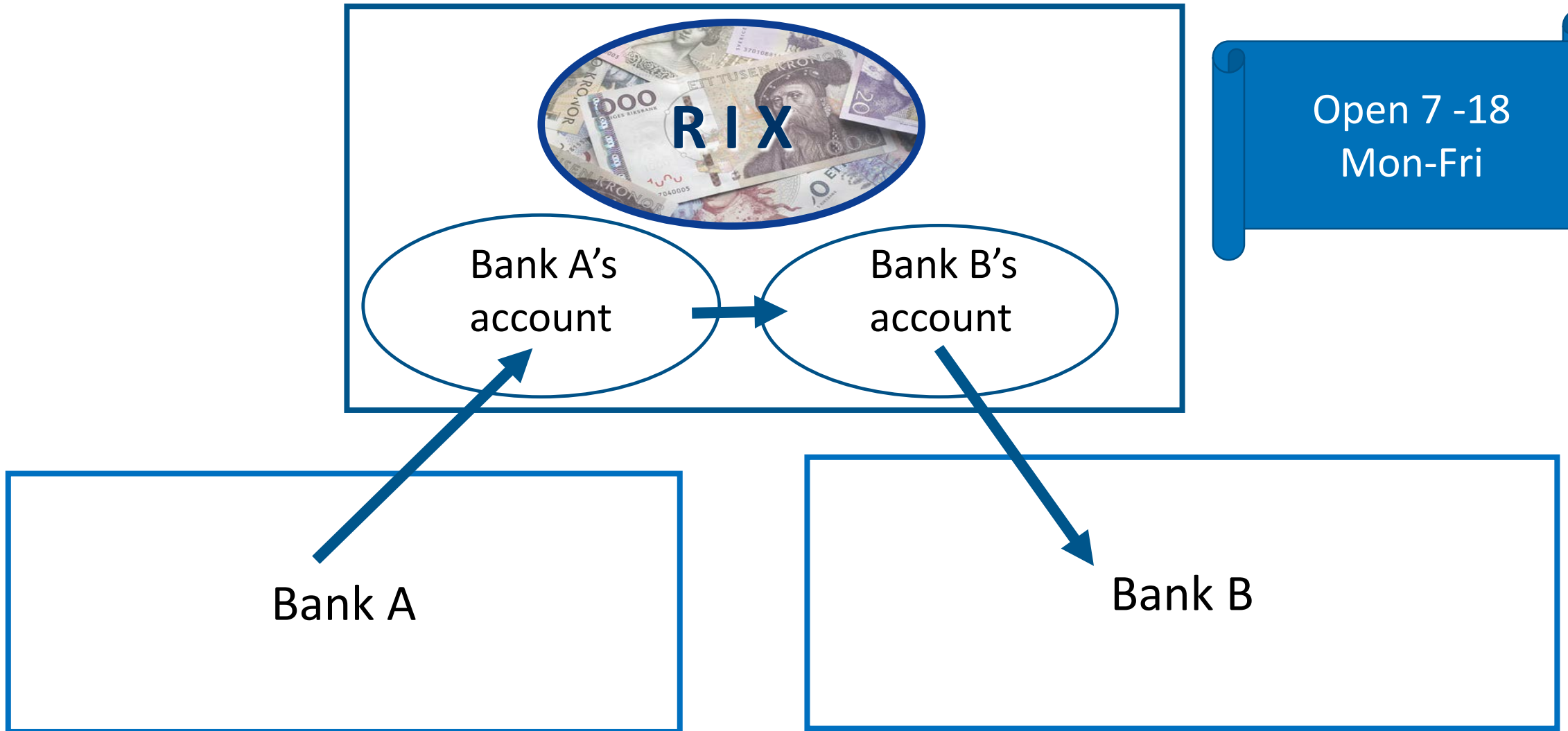
Answer to question: "Which means of payment have you used in the past month?"

Source: The Riksbank

The Riksbank is the hub of digital payments



Settlement in state money reduces risk in the system



Safer settlement through extended RIX

- RIX-INST: settlement of instant payments in state money
24/365
- Also in several other countries such as the US and Mexico



The general public should be able to pay digitally with state money through the e-krona



1644



1835 -

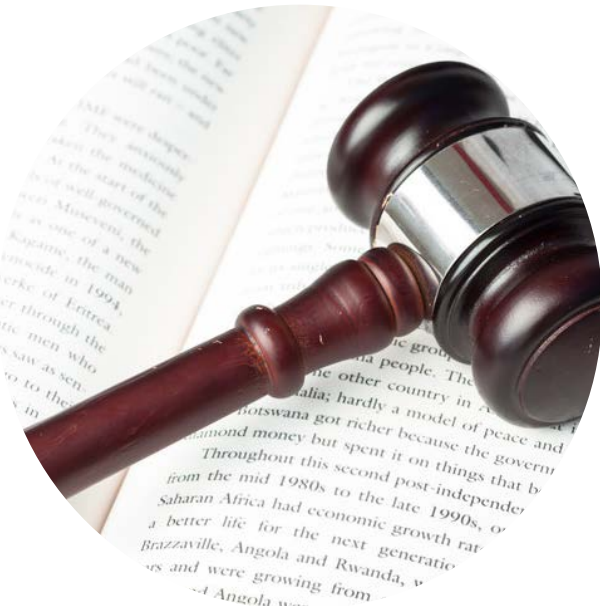


2020s?



Matter of urgency to investigate and decide on state role

- Government inquiry with broad mandate hopefully early 2020
- Ultimately the decision of the Riksdag – again after 120 years

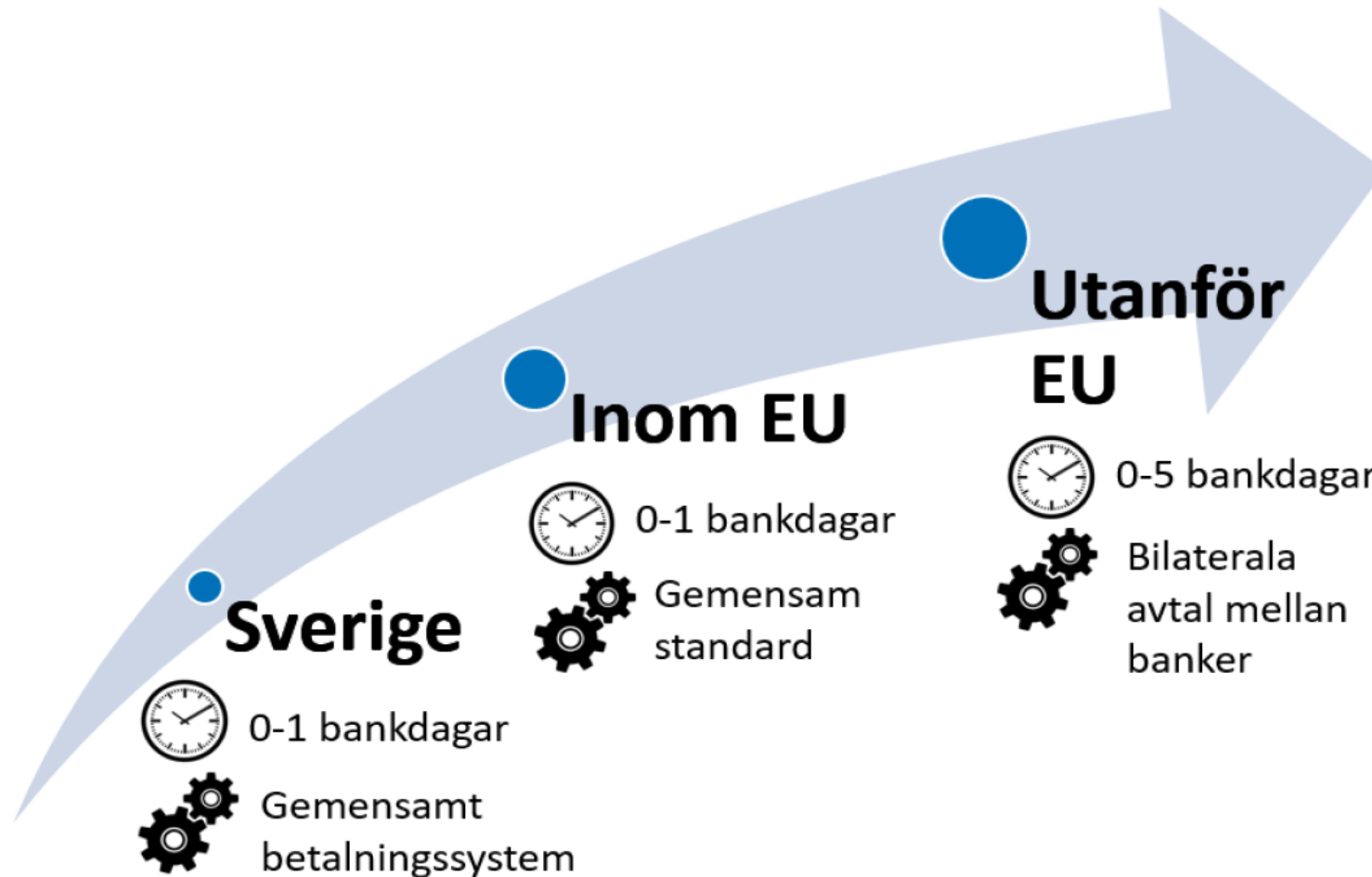


BigTech and Libra

- Libra – Facebook’s attempt to create a ‘global digital currency’
 - Private association consisting of multinational corporations
 - Shall be stabilised through ownership of state assets

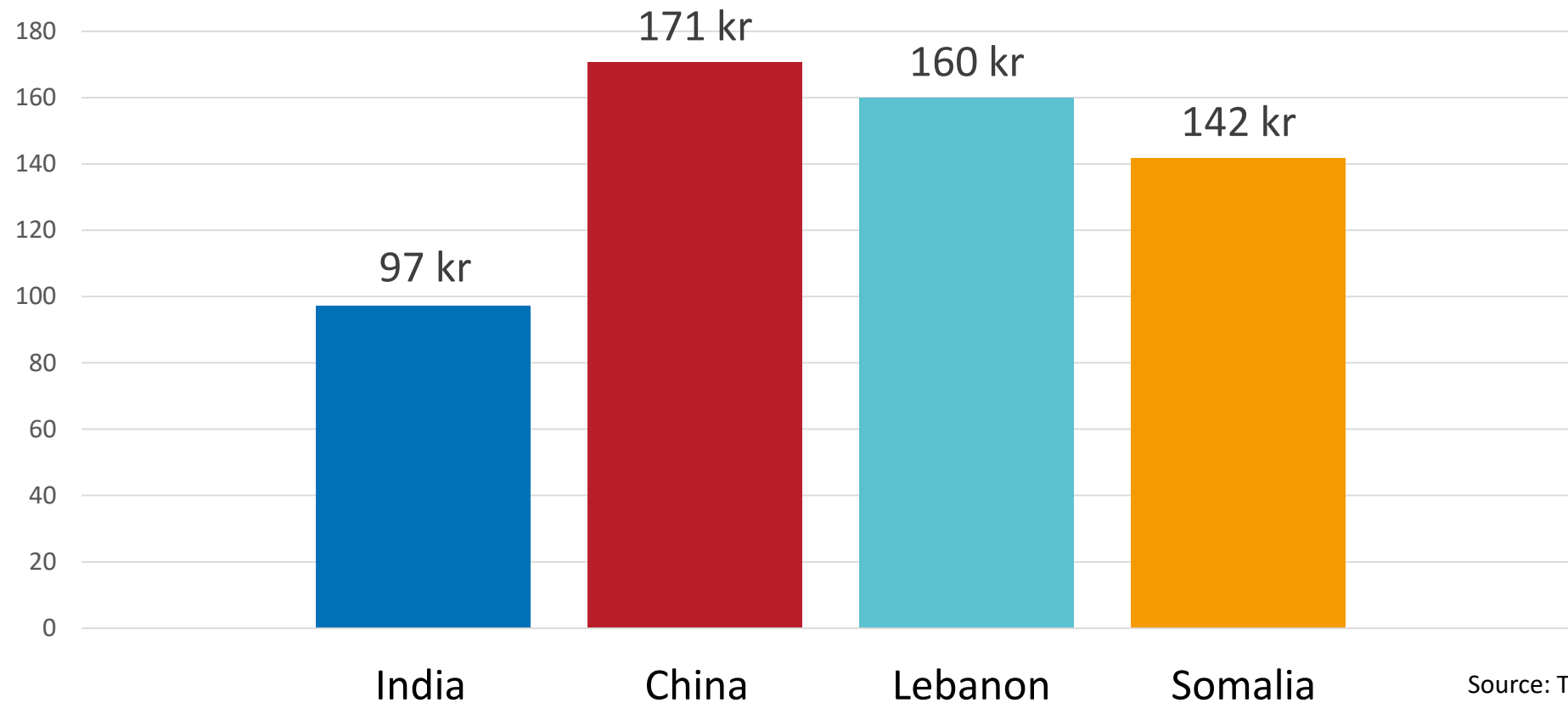


International payments are still slow...



...and expensive

Average cost to send SEK 2,000



Source: The World Bank

Nordic-Baltic payments as a first step

- Smaller scale to show that an international payment system is possible
- Historical background: Gold standard 1873



We need to think in new ways – there must be:

- Enough physical banknotes in case the electronic systems break down
- Possibilities to pay in SEK, with central bank money, 24/365
- An e-krona issued by the Riksbank that is legal tender
- Opportunity to make instant payments between currencies 24/365
- (State e-identification)

