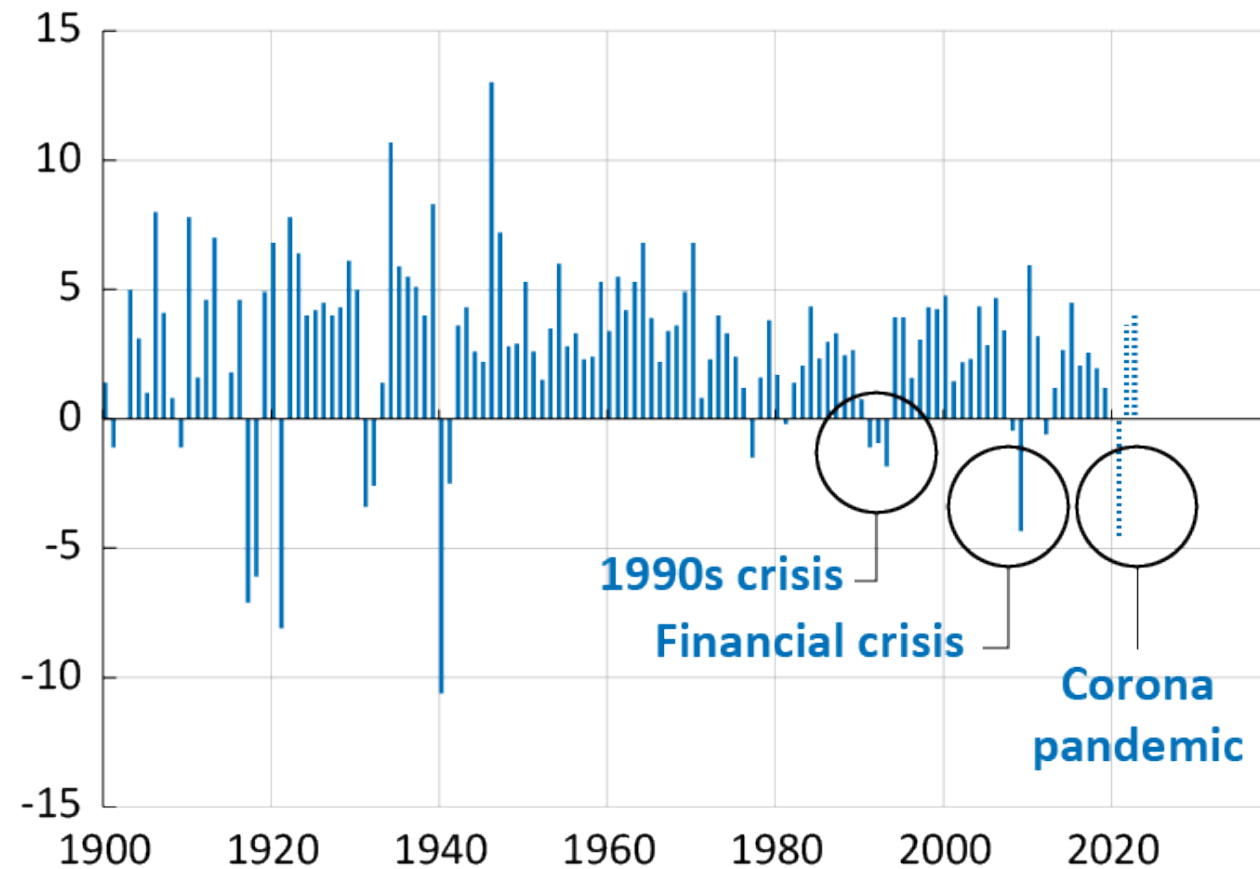


From crisis management to recovery – the Riksbank's role in the next phase of the crisis

DI Konferens (3 September 2020)

Cecilia Skingsley
First Deputy Governor

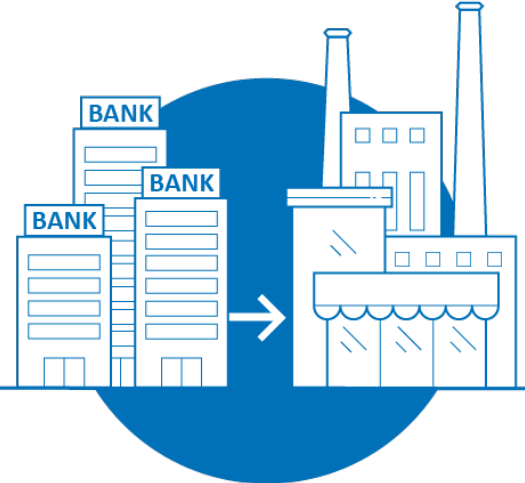
Heavy fall in Swedish GDP growth



Note: Annual percentage change. Forecast from the Monetary Policy Report July 2020.

Sources: Statistics Sweden and the Riksbank.

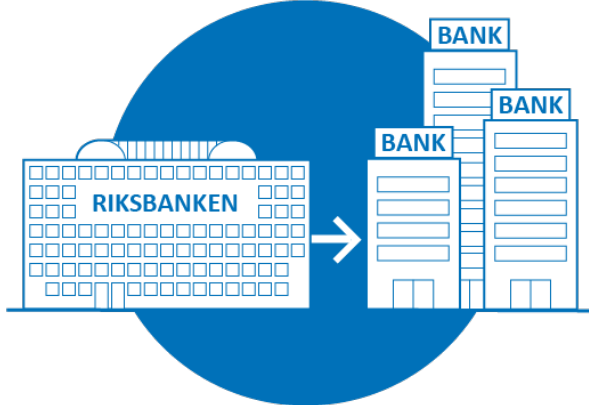
Extensive measures to hold down interest rates and facilitate credit supply



Loans to the banks for onward lending to companies
500 billion
Utilised:
165 billion



Purchases of government, mortgage and municipal bonds as well as commercial paper
500 billion
Utilised:
179 billion



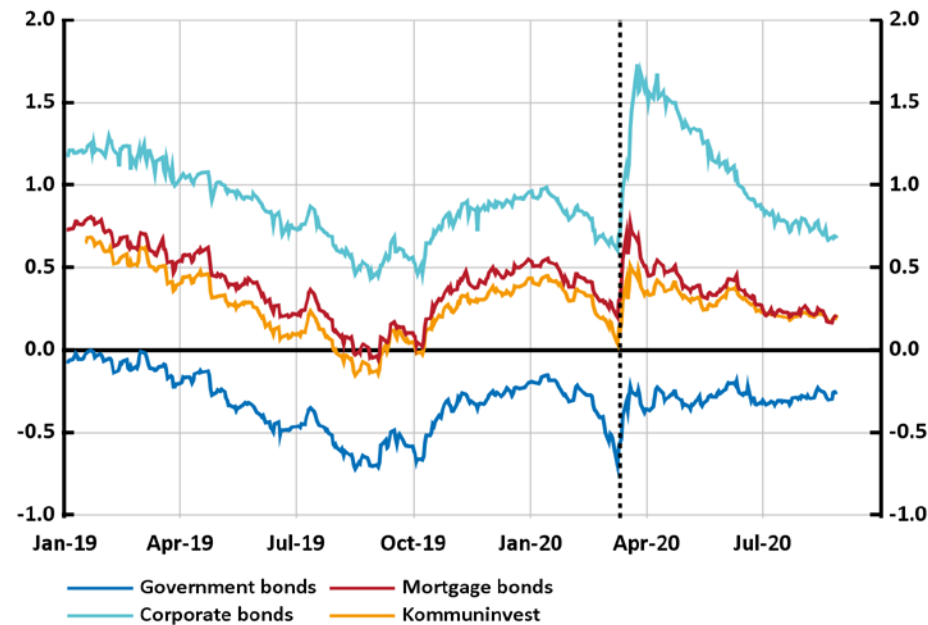
Increased access to safe and liquid Assets
Unlimited
Utilised:
29 billion



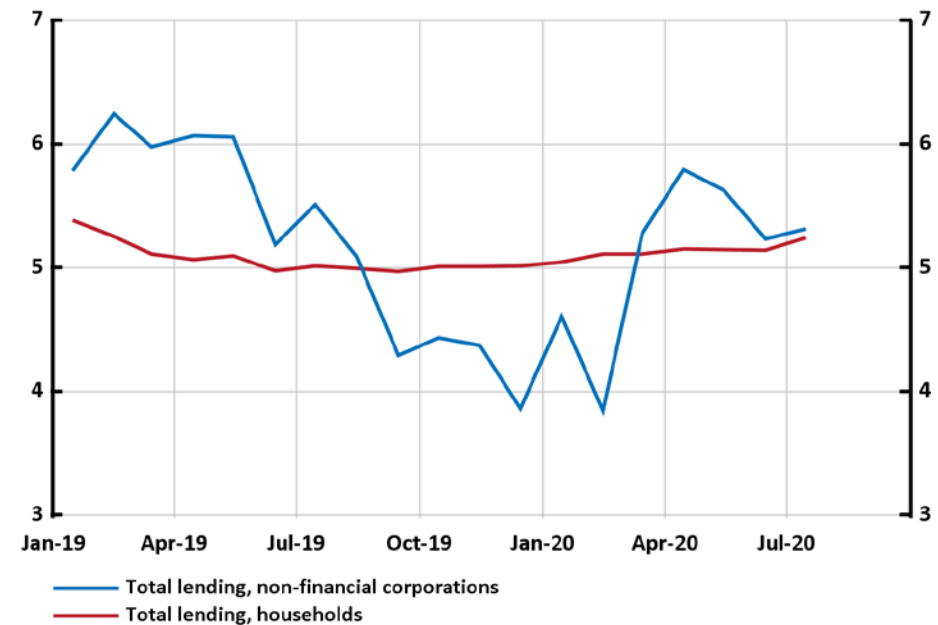
Loans in US dollars
USD 60 billion
Utilised:
2 billion

The Riksbank's measures support the recovery and inflation

Market rates have come down



Credit supply has been maintained

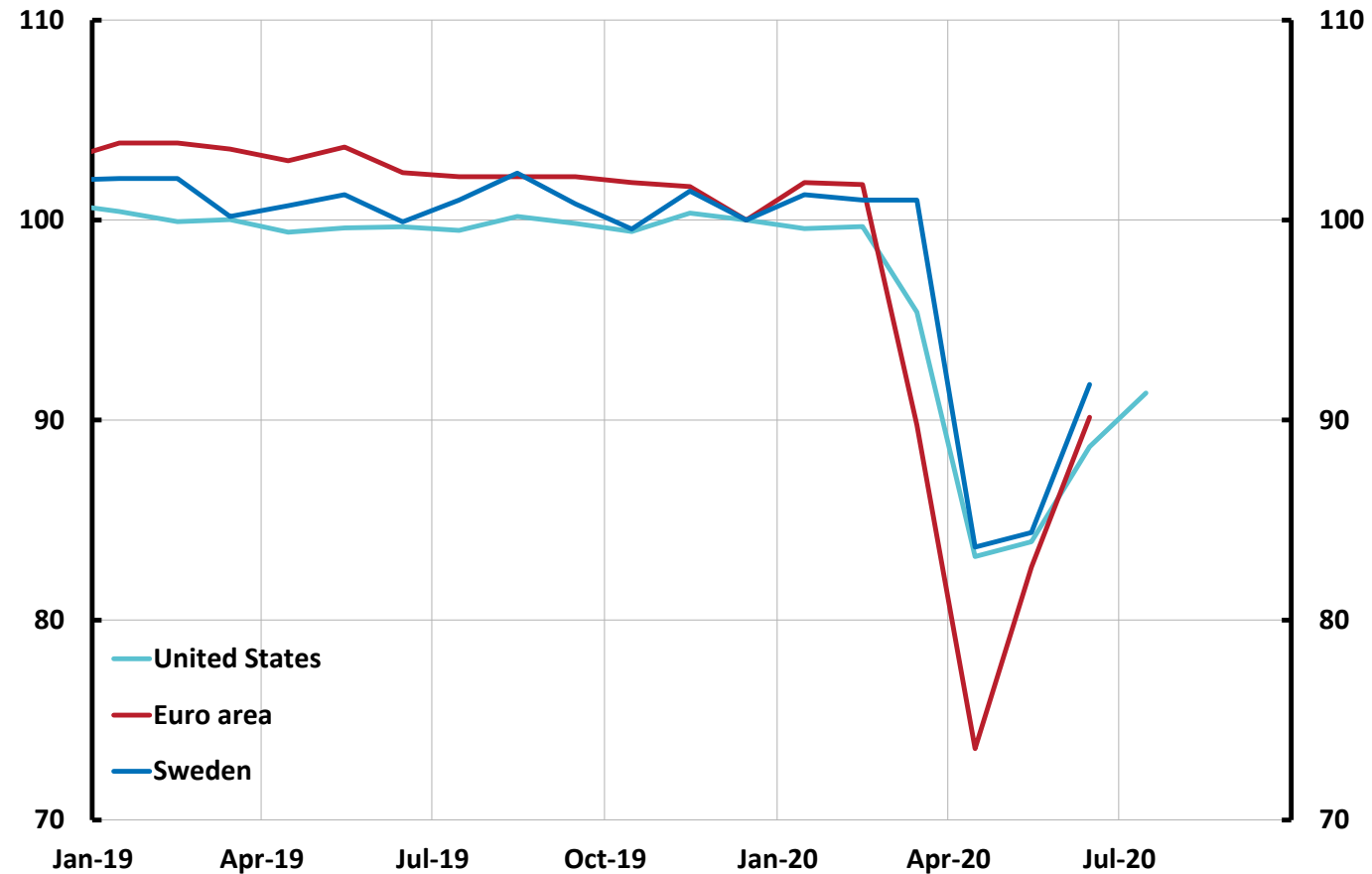


Note: Yields on 5-year bonds, per cent, and annual growth rate respectively. The vertical lines show the Riksbank's extraordinary meeting to deal with the pandemic on 11 March.

Sources: Macrobond, Statistics Sweden and the Riksbank

Major economic consequences of the pandemic

Industrial production



Note: Index December 2019 = 100.

Sources: Eurostat, Federal Reserve and Statistics Sweden

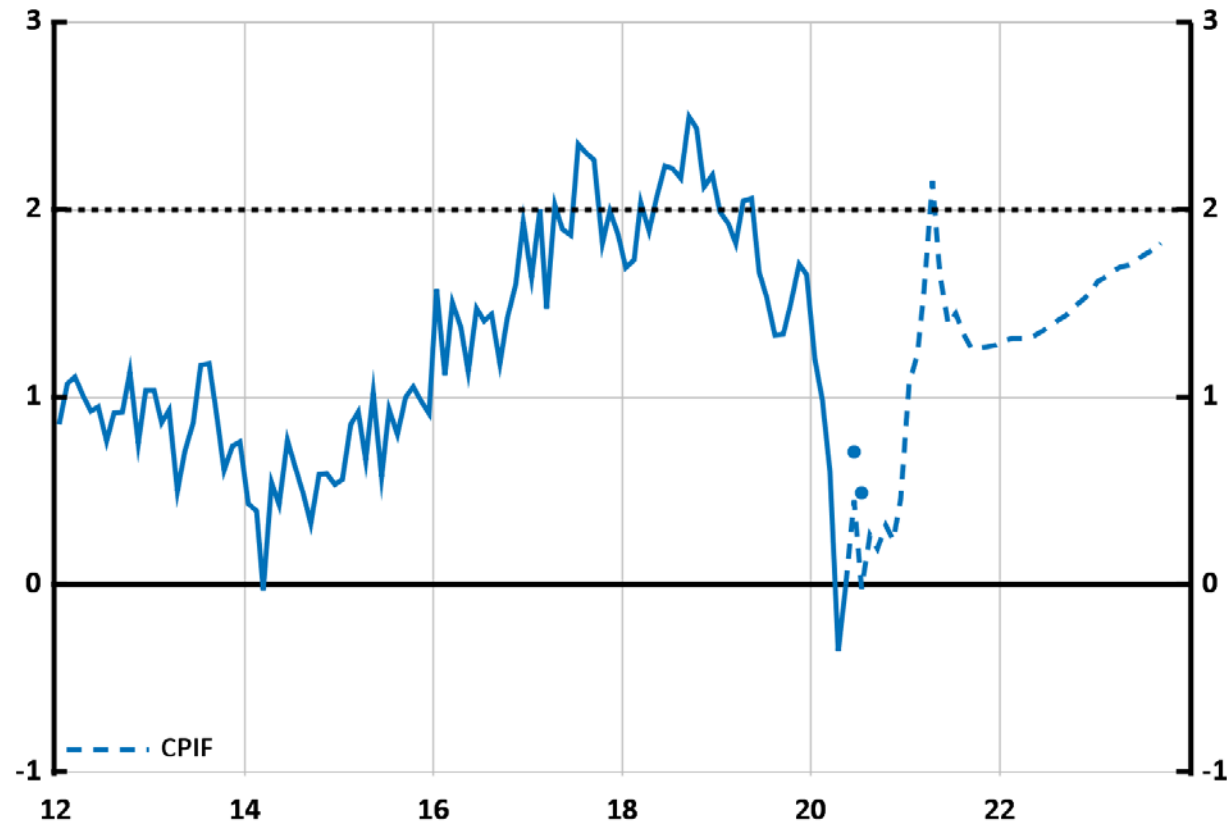
Rapidly rising unemployment



Note: Per cent of labour force aged 16-64.

Source: Arbetsförmedlingen (Swedish public employment service)

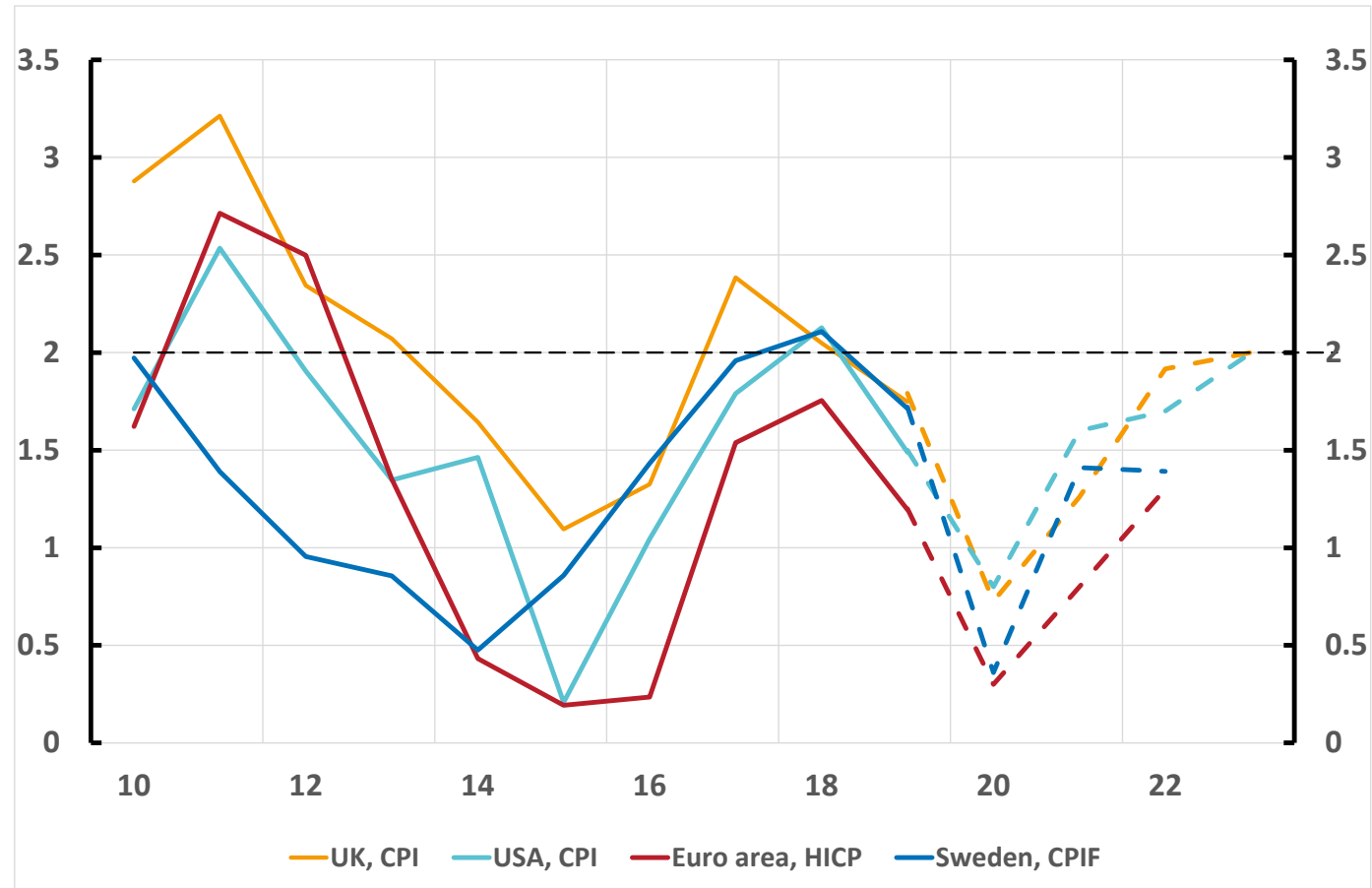
Low inflation now – expected to rise



Note: Forecast from the Monetary Policy Report in July 2020, the points indicate the outcomes after the Monetary Policy Report was published. Annual percentage change.

Sources: Statistics Sweden and the Riksbank.

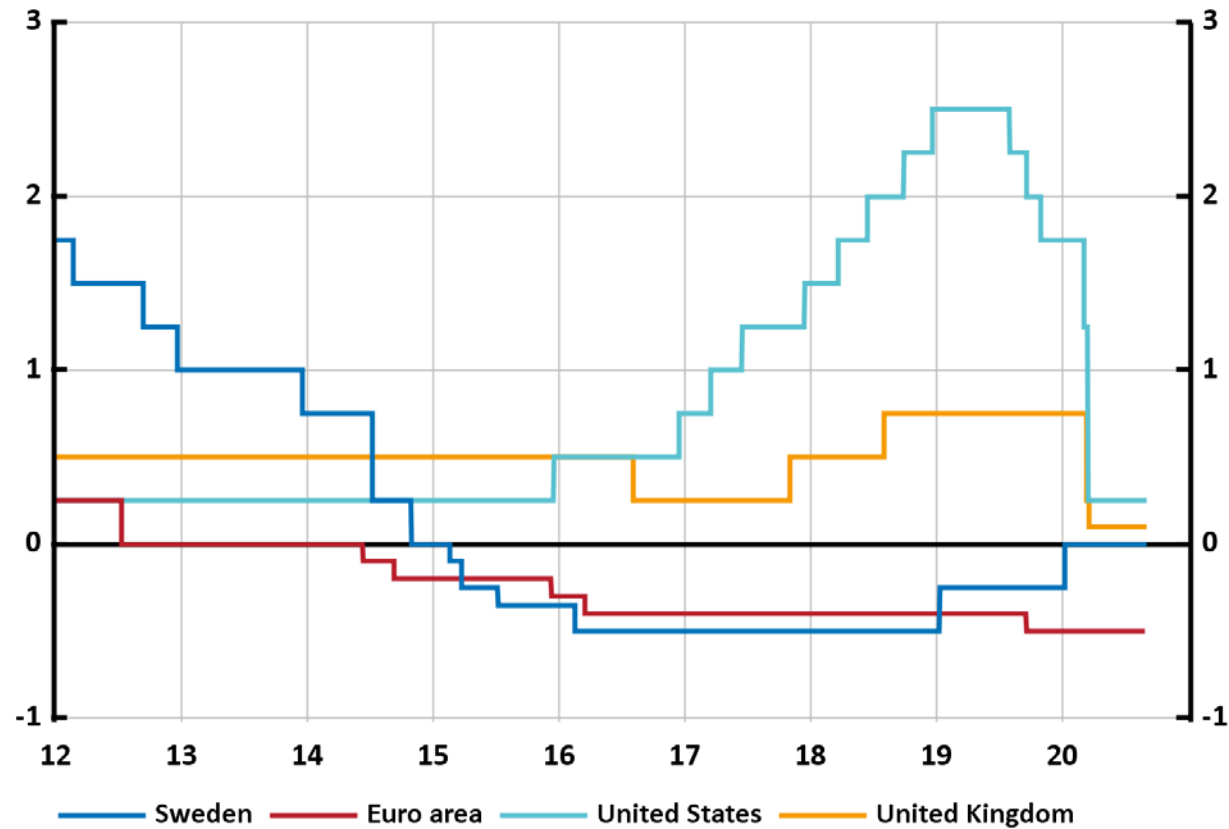
International developments: Inflation also below 2 per cent target in many other countries



Note: Inflation refers to the CPI, the CPIF and the HICP. Annual data.

Sources: The Bank of England, the ECB, the Federal Reserve and the Riksbank

Central banks' policy rates are at or close to the lower bound



Sources: National central banks and the Riksbank.

The pandemic changes the playing field

- Large number of countries and central banks in the same boat – low inflation, policy rate at or close to lower bound
- The core question: “How to ensure that monetary policy has the scope to counteract recessions in the future?”
- The US central bank is adjusting its goals and strategy. An adaptation to a world with lasting low interest rates