

PRESS RELEASE

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■ Economic Review no. 4, 2004

The Riksbank's quarterly journal Economic Review contains articles on subjects related to central banking. The fourth issue for 2004 is published today and contains three articles:

A decade of inflation targeting

On 14 October 2004, Riksbank Governor addressed the Riksdag Committee on Finance. The Governor usually appears before the Committee twice a year, in connection with the presentation of the Riksbank's written report on monetary policy. The Governor provided a broad presentation of monetary policy and the Riksbank's deliberations regarding monetary policy and on this occasion paid special attention to employment-related issues.

Households' inflation opinions – a tale of two surveys

In 2002, an international market research company, Growth from Knowledge (GfK), took over responsibility for the survey of households' views on price developments previously carried out by Statistics Sweden. During the months prior to the changeover, the two parties carried out parallel surveys using almost identical questions. Despite this, the responses to GfK's surveys showed much higher average inflation perceptions and expectations than Statistics Sweden's surveys. Stefan Palmqvist at the Monetary Policy Department and Lena Strömberg at the Market Operations Department discuss these differences and how they may have arisen.

Price-setting behaviour in Swedish firms

Firms often adjust prices once a year, and it is as common to adjust prices when a particular incident occurs as at set intervals. Mikael Apel, Advisor, Kerstin Hallsten, Deputy Head of the Monetary Policy Department, and Richard Friberg



■ at the Department of Economics, Stockholm School of Economics, present the results of a survey on Swedish firms' price-setting behaviour. The survey also shows that important explanations for price rigidity include long-term customer relations, sluggish costs and implicit and explicit contracts.

This article will also be published in the *Journal of Money, Credit and Banking*.

Economic Review is available as a PDF file on the Riksbank's website, www.riksbank.se, under the heading Published/Publications/Economic Review. It can also be collected from the main entrance to the Riksbank at Brunkebergstorg 11 or ordered by e-mail, forradet@riksbank.se, fax +46-8-7870526 or telephone +46-8-7870000.

A Swedish version of the journal, *Penning- och valutapolitik*, was published earlier.