



PRESS RELEASE

DATE 23 February 2007

NO. 10

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■ General Council proposes changes in Sveriges Riksbank Act

Both the General Council and the Executive Board are presenting their views on the report "An Evaluation of Swedish Monetary Policy between 1995 and 2005". This press release deals with the issues that fall within the General Council's sphere of activity.

"The General Council of the Riksbank welcomes the very positive assessment of the Riksbank and its monetary policy, as well as the more critical views and suggestions for improvements in certain areas. We also note that the reform which gave the Riksbank an independent position in 1999 has functioned well," say Johan Gernandt and Leif Pagrotsky, Chairman and Vice Chairman respectively of the General Council.

On the basis of the evaluation, the General Council proposes that two changes be made in the Sveriges Riksbank Act. The first is that the mandate period for a member of the Executive Board should be five or six years, instead of always being six years, as now. The second is that the qualification period¹ for new members of the Executive Board should be changed from twelve months to nine months.

Moreover, the General Council considers that the number of members on the Executive Board should not be changed. However, the Council does agree with the professors' suggestion that it would be more efficient if the work of governing and managing the Riksbank as an organisation were entrusted to the Governor and one or two Deputy Governors.

One of the General Council's most important tasks is to appoint the members of the Riksbank's Executive Board. The Council also has the task of monitoring the way the members of the Executive Board carry out their duties. It therefore does not see any need for the persons proposed to become members of the Executive Board to appear before the Riksdag (the Swedish Parliament) in hearings before their appointment.

The report expresses criticism of the Riksbank's inflation forecasts, which are central bases for the Executive Board's monetary policy decisions. The General Council shares the evaluators' opinion that it is essential to improve understanding of the real economy and in particular productivity growth. A project to achieve this has already begun. The General Council will, within the scope of its role, devote greater attention to following up the Executive Board's work on these issues.

The consultation response in full can be found on the Riksbank's website, www.riksbank.se.

¹ The period after the end of their employment when they may not take on a new assignment or position where their knowledge could harm the Riksbank if utilised, but they can receive a full salary without performing official duties.