



# PRESS RELEASE

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## ■ Changes in monetary policy communication

*First Deputy Governor Irma Rosenberg gave a speech today at a meeting of the Stockholm-Djurgården Rotary Club. In her speech Ms Rosenberg described among other things some changes in the communication of monetary policy, which were decided at the Executive Board meeting held on 10 May.*

"Ever since the inflation target was introduced the Riksbank has tried in various ways to increase openness and clarity in its monetary policy. The decision to begin to publish the Riksbank's own interest rate forecasts is the most recent evidence of this ambition. At our meeting yesterday the Executive Board decided to take some further steps towards greater clarity in monetary policy communication," began Ms Rosenberg.

"Firstly, press conferences will in future be held after each monetary policy meeting, regardless of what decision has been taken. Previously, press conferences have only been held if the repo rate has been changed or when an Inflation Report has been published. However, information on why the repo rate is being kept unchanged is just as important for understanding the monetary policy conducted as is information on why the repo rate is being adjusted. By publishing our own interest rate forecasts and by holding press conferences after each monetary policy meeting the Riksbank will provide more detailed and more regular information on the considerations taken by the Executive Board," Ms Rosenberg pointed out.

"Secondly, the Executive Board has decided to make certain changes with regard to monetary policy signalling. By signalling I mean, quite simply, how we communicate our monetary policy intentions. The Executive Board has come to the conclusion that there is not normally any reason to indicate how the repo rate will be set in speeches and press releases issued prior to the monetary policy meetings. Our assessment is that it is enough to signal our intentions clearly in connection with the seven monetary policy meetings held every year. In connection with three of these meetings, we publish our own interest rate forecasts in our Monetary Policy Report. On the other four occasions we report a qualitative assessment of how the most recently published interest rate forecast



■ relates to the new information received. There is therefore less need to signal between the meetings," continued Ms Rosenberg.

"One possible reason why signalling between two monetary policy meetings in exceptional cases might still be justified, is if something happens that radically changes the economic situation, while there is a long time until the next meeting. It should then be clear whether the message is coming from an individual member of the Board or from the majority of the Executive Board," observed Ms Rosenberg.

"It may be worth pointing out that the individual members of the Executive Board will of course continue to be free to express their own personal opinions in public. But this should above all be a question of afterwards clarifying and explaining personal deliberations made in connection with the monetary policy meetings. Differences of opinion within the Executive Board will also, as before, be made clear in the minutes of the meetings," Ms Rosenberg pointed out.

"This leads me on to the third change we have decided to make. The minutes from the monetary policy meetings will now include the names of the Executive Board members in relation to the discussion and not merely if they enter a reservation against the majority decision. This will make it easier to forecast how monetary policy will be conducted. It will also make it easier to examine the motives behind the monetary policy decisions. Including the names in the minutes is accordingly another step towards greater openness and clarity," concluded Ms Rosenberg.