

# PRESS RELEASE

DATE 7 November 2007

NO. 41

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## ■ Sveriges Riksbank Economic Review no. 3 2007

The Riksbank's journal *Economic Review* discusses subjects related to central banking. This year's third issue is published today. It contains four articles, three of which deal with the Riksbank's inflation forecasts.

Since 2000 the Riksbank's forecasts have on average over-estimated imported inflation by 0.2 percentage points per quarter. However, if one regards the forecasting errors in the perspective of the entire period studied, they have had very little significance for the inflation forecasts. This is concluded in the article "Riksbank forecasts of import prices and inflation" written by *Bengt Assarsson*.

It is difficult to measure how Swedish inflation is affected by international prices. Competition in the various markets is often the factor that determines price-setting rather than the origins of the product. While it is interesting to study how international driving forces affect inflation, measuring problems mean that it is more relevant to study price developments for some well-defined aggregates, for example goods, services foods and energy. This is observed by *Jesper Hansson* and *Jesper Johansson* in the article "Alternative measures of inflation for monetary policy analysis".

The Riksbank's forecasts have often been better than the forecasts made by others during the period 2000-2006. This applies in particular to the Riksbank's inflation forecasts, while forecasts for the real economy have been roughly the same as those made by other analysts. However, the differences in the ability to make forecasts are not considerable and nor are they statistically significant. This is concluded in the article "An evaluation of the Riksbank's forecasting performance", by *Michael K Andersson*, *Gustav Karlsson* and *Josef Svensson*.

The fourth article "Is there an optimal way to structure supervision?" discusses the advantages and disadvantages of how different countries have structured their supervision. The authors *Stefan Ingves* and *Göran Lind* observe that the answer to the question is no. Each country must adapt the structure according to its own conditions.

The journal is available as a PDF file on the Riksbank's website under the heading Publications/Published/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](mailto:forradet@riksbank.se), fax +46 8 787 05 26 or telephone +46 8 787 00 00.