



PRESS RELEASE

DATE 18 December 2008
NO. 73
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■ The Riksbank proposes abolishing the 50-öre coin

The Riksbank is proposing to the Riksdag (the Swedish parliament) that the 50-öre coin should cease to be legal tender after 30 September 2010.

The Riksbank's statistics indicate that the 50-öre coin is used increasingly rarely as a means of payment. According to a survey of the general public commissioned by the Riksbank, two out of three respondents consider that the coin is no longer necessary. The retail trade would also prefer the coin to be abolished.

If the 50-öre coin disappears, the 1-krona coin will be the lowest denomination of coin, although the "öre" will remain as an arithmetical unit.

Electronic payments made, for instance, by card will not be affected if the 50-öre coin is abolished. Cash payments, on the other hand, will need to be rounded off to the nearest krona instead of to the nearest 50-öre, as now. The Riksbank therefore proposes that the Riksdag change the act on rounding off at the same time as declaring the 50-öre coin invalid.

Abolishing the 50-öre coin is not expected to affect the consumer price index (CPI), which is the Riksbank's measure of inflation. This is because the CPI is calculated using prices that have not been rounded off.

The demand for other coins is not expected to be affected to any great extent. This means that the costs for purchasing and administering coins will decline.

It is proposed that the last date for accepting payments using 50-öre coins should be 30 September 2010. During a period of time after this it will still be possible to redeem the coins at a bank.

A decision to declare the 50-öre coin invalid must be taken by the Riksdag.