



Separate appendix to the Riksbank's communication policy

DATE OF DECISION: 2 April 2009
DECIDED BY: Executive Board
DEPT. RESPONSIBLE General Secretariat
RESPONSIBLE FOR ADMIN. Communications Secretariat

SVERIGES RIKSBANK
SE-103 37 Stockholm
(Brunkebergstorg 11)

Tel +46 8 787 00 00
Fax +46 8 21 05 31
registratorn@riksbank.se
www.riksbank.se

DNR 2008-449-STA

■ Monetary policy communication

1. Open and clear communication

The Riksbank aims to be as open and clear as possible in its monetary policy communication. There are several reasons for this:

- It should be easy for all the Riksbank's target groups to understand the background to the monetary policy decisions that are made. For that reason the Riksbank publishes the forecasts and analyses on which the decisions are based. By clarifying its reasoning in this way, the Riksbank increases the possibilities of our target groups not only to understand but also to predict monetary policy. This strengthens the credibility of the inflation target and makes it easier to establish expectations around an inflation rate of two per cent.
- The Riksbank is subject to the principle of public access to official documents. The Bank's independent position also imposes considerable demands for it to be open, comprehensible, objective and up to date. This is essential to enable both the general public and the Bank's principal, the Riksdag (the Swedish parliament), to scrutinise and assess monetary policy.
- Communication that promotes discussion and examination of monetary policy also contributes to raising the quality and effectiveness of internal analyses

2. Target groups and the communication process

There are several target groups for the Riksbank's communication and they include members of the Riksdag, companies, households, banks and other participants in the financial markets, government agencies, organisations, media and employees of the Riksbank.

Information on monetary policy decisions and intentions is important to all of the target groups and it is market sensitive. The Riksbank must therefore have a clear procedure for how these issues are communicated. As the Riksbank specifies when, where and how information is to be given, all target groups have equal opportunities to obtain information about monetary policy.

Market-sensitive information about the Riksbank's actions must be published as soon as it is deemed possible, via one or more of the channels that are normally used. The communication must fulfil the simultaneous publication requirement.

3. Meetings and reports

The Executive Board normally holds six monetary policy meetings a year, when the members decide on the repo rate. In connection with three of these meetings the Riksbank publishes a monetary policy report with complete forecasts for the economy and inflation, alternative scenarios and risks. In connection with the three other monetary policy meetings a monetary policy update is published, with forecasts of a number of important macroeconomic variables. At each monetary policy meeting the Riksbank presents a new three-year repo rate forecast.

4. Information in connection with monetary policy decisions

The day after each monetary policy meeting the Riksbank publishes the Executive Board's decision in a press release and holds a press conference. In the press release the Bank gives an account of the decision and the deliberations behind it. The press release also reports whether the decision was unanimous or whether reservations were entered and, if so, by which members of the Executive Board. The main reasons for the reservations are also presented. The report or the update is published at the same time on the Riksbank's external website. Internally, a presentation is given to employees.

On the same day the Riksbank invites analysts and financial market participants to a presentation of the Monetary Policy Report, which is also presented to participants in the foreign financial markets at various meetings. Monetary policy roadshows are arranged throughout the country aimed at spreading knowledge to various target groups and regions.

About two weeks after each monetary policy meeting the Riksbank publishes minutes which reflect the discussion at the meeting. Since the members of the Executive Board are named it is possible to follow their reasoning on various issues.

The Riksbank must submit a written report on monetary policy at least twice a year to the Riksdag Committee on Finance. During the spring special material for assessing monetary policy is submitted and in the autumn this material is the Monetary Policy Report.

5. Monetary policy communication between meetings

The monetary policy decisions are followed by concentrated information work. Even between the decisions there is a need to communicate relevant information; via speeches, press releases and economic commentaries on the Riksbank's external website.

Members of the Executive Board can give an account of important monetary policy issues. They can also, after the minutes are published, give an account of their own personal deliberations in connection with decisions and forecasts made or comment on new statistics and relate them to the previous forecast. The members can also report on the decision-making material, that is to say which variables are always important and which may be particularly important at the time in question. Common to communication between the monetary policy meetings is that the information given

does not anticipate the member's or the Executive Board's position on coming monetary policy decisions.

■ To avoid disrupting the monetary policy process, the Riksbank is restrictive with information close to a monetary policy meeting.