



PRESS RELEASE

DATE 3 June 2010
NO. 27
CONTACT Press office, tel. +46-(0)8-7870200

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

■ Monetary Policy in Sweden

The document "Monetary Policy in Sweden", which describes the Riksbank's monetary policy objective and strategies, has been updated. At the same time, the Executive Board of the Riksbank has decided to remove the tolerance interval from the specification of the monetary policy objective.

"From time to time we need to review the wording and explanations in this document, as practical experience and research in the monetary policy field are constantly developing. The update we have made now mainly concerns explaining things more clearly and ensuring that the document describes in the best possible way how we think about monetary policy," says Governor Stefan Ingves.

The contents of the document remain largely the same as in the previous version, but there have also been some additions as a result of experiences and impressions from the financial crisis. The update includes the removal of the tolerance interval from the specification of the monetary policy target. Previously, the monetary policy objective has been expressed as ensuring that the annual change in the consumer price index is to be 2 per cent with a tolerance interval of plus/minus 1 percentage point.

"Removing the tolerance interval has no practical significance for the inflation target as such, or for the monetary policy decisions. Today there is considerable understanding for the fact that monetary policy is conducted under uncertainty and that inflation can from time to time undershoot or overshoot the target. We at the Riksbank have long been careful to analyse and explain such deviations from the inflation target. This has meant that the tolerance interval has become obsolete," says Governor Stefan Ingves.

The document "Monetary Policy in Sweden" describes the Riksbank's monetary policy objective and strategies. This document was first published in 2006 and has since then been updated on a couple of occasions.

[Link to the decision regarding the tolerance interval.](#)