



**SVERIGES
RIKSBANK**

No. 39 24 November 1996

Press Release

COMMENT ON ITALY JOINING THE ERM

In connection with Italy's, like earlier this autumn Finland's, participation in the ERM, Mr. Urban Bäckström, Governor of Sveriges Riksbank, issues the following statement:

"Italy's and Finland's decision does not affect Sweden's position in this matter.

"In recent years the imbalances in Sweden's economy have been reduced and government finance is improving rapidly. Sweden's credibility as a country with low inflation is on the way to being established. Sweden therefore has a good possibility of fulfilling the conditions for membership of the EMU.

"Participation in the ERM requires a period of stability in the Swedish economy. Broad support in society for the krona's adherence to the ERM is also necessary. Membership of the ERM is not on the agenda for now," concludes Mr. Bäckström.

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