

Press Release

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Minutes of Executive Board meetings to be published

The new Executive Board of the Riksbank held its first meeting today. The following is a summary of the proceedings.

The monetary policy process

The Executive Board will devote eight to ten meetings a year to more comprehensive monetary policy analysis and assessment. Repo rate decisions are to be based on the discussion that takes place at these specific monetary policy meetings. Should the need arise, monetary policy discussions can be held in the intervals between the specific monetary policy meetings.

Repo rate decisions are normally made once a fortnight and are announced for the coming two weeks on PmI at 9.30 on the Friday after the Executive Board meeting. Tenders are received on the following Tuesday. As previously, the repos have a duration of one week and run from Wednesday to Wednesday.

The minutes of the Executive Board's monetary policy discussions will be published until further notice with a time lag of six to eight weeks. The minutes give an account of the discussion, together with information about the final opinions of individual members of the Board.

After meetings at which the Executive Board has discussed monetary policy, a press notice will be issued with a résumé of the monetary policy discussion. As previously, press conferences will be held in connection with notable monetary policy adjustments, as well as when the *Inflation Report* is published.

The members of the Executive Board will make speeches, give interviews and write articles. Unless indicated otherwise, in these cases the content is the responsibility of the individual member.

Monetary policy target

The Executive Board considers that the current formulation of the monetary policy target should continue to apply. There are no grounds at present for any fundamental changes in the direction of monetary policy. Monetary policy should continue to aim at keeping the change in the consumer price index at 2 per cent in a somewhat longer, annual perspective, with a tolerance interval of ± 1 percentage point.

The Board noted, however, that there were reasons for clarifying the formation of monetary policy in some respects in the light of the experience

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that has been gained in recent years. The formulation of the target, for example, should indicate more clearly how various transitory effects on inflation should be treated in the ongoing formation of monetary policy. There are also grounds for clarifying how monetary policy could be assessed both by the Riksbank's principal and by external observers.

The Board gave the First Deputy Governor, Lars Heikensten, the task of proposing clarifications of monetary policy in the above respects.

Procedural instructions

With the Governing Board's general working procedures as the starting point, the Executive Board adopted more detailed instructions for how the work of the Riksbank is to be carried out. The activities of the Bank are to be directed collegially by the Executive Board, which is accordingly the supreme decision-making body for the Riksbank's routine activities. A general feature of the Bank's activities is to be a high degree of delegation. At the same time, many matters concern more than one department; for the preparation of such trans-departmental matters, there should be, just as previously, a number of preparatory groups or sub-groups that are answerable to the Board. Each preparatory group is to be chaired by the Board member who is responsible for the field in question. The administrative groups are to be headed by the Director of Administration.

Unchanged repo rate

The Executive Board decided that for the repo that runs from the 13th to the 20th of January, the repo rate would be unchanged at 3.40 per cent. In future, two one-week repos will be announced every other Friday. The time for the next repo rate announcement is 9.30 p.m. on 15th January 1999.

Allocation of Board members' responsibilities

The Executive Board established an allocation of responsibilities among its members. The allocation is essentially the same as announced earlier (see Press Release of 17th December 1998, no. 58).

Schedule of meetings

Finally, a schedule of meetings of the Executive Board in the first half of 1999 was adopted. The next meeting, for example, is to be held on 14th January. The meeting on 11th February will be devoted to monetary policy analysis and assessment.

All the members of the Executive Board were present at today's meeting, which was also attended by the Chairman of the Governing Board, Sven Hultström, and the Vice Chairman, Johan Gernandt. Section 3, §3 of the Riksbank Act stipulates that the latter have a voice at meetings of the Executive Board but not the right to make proposals or to vote.