

# Press release

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## Interest rate increase important to safeguard sustainable growth

“Just under two weeks ago, the Executive Board decided to increase the repo rate by 0.35 percentage points to 3.25 per cent. This decision was made against the background of international cyclical economic prospects moving in a rather more positive direction and a somewhat greater rise in raw material and input prices than expected. Altogether, it was estimated that inflation would be marginally higher in one to two years than in the inflation report (1.8 and 2.1 per cent respectively). The increase by 0.35 percentage points was somewhat larger than expected but, at the same time, it creates the conditions to maintain the repo rate unchanged for the rest of the year, provided that the Swedish economy develops in line with the Riksbank's assessment”.

This was said by Deputy Governor of the Riksbank Kerstin Hessius at a meeting at the Gothenburg School of Economics and Business Administration on Wednesday. Among other things, she underlined that:

“The intention today is not to give prominence to any new aspects of monetary policy but to recapitulate what has happened”.

“The intention of the interest rate increase is not, as has been alleged, to counteract the positive development of the Swedish economy. On the contrary, by the interest rate increase, the Riksbank wants to make growth sustainable over a longer period” said Kerstin Hessius.

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