

# Press Release

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## Economic situation difficult to assess

Riksbank Governor Urban Bäckström gave a speech entitled "Where is the interest rate heading?" at a seminar in Göteborg organised by Swedbank, on Monday 2 April. The speech was based on the Inflation Report presented on 27 March.

"Demand in Sweden is in the process of adapting to a more long-term and sustainable trend. Exports are being subdued as international economic activity slows down. And when order inflows and production fall, this will in turn affect investment. If we look at the household sector, the fall on the stock exchange and the decline in optimism will lead to private consumption growing at a calmer pace," said Bäckström.

"The assessment in the main scenario of the Inflation Report is that the inflation rate will develop in a relatively stable manner over the coming year, remaining close to the target of 2 per cent. However, I would like to point out that it is very difficult to assess the current situation and the Riksbank is ready to take action if necessary and when the picture becomes clearer," concluded Urban Bäckström.

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