

## **20100305 Riksbank: Introduction on monetary policy (Stefan Ingves Speech)**

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**Speech by Mr Stefan Ingves, Governor of the Sveriges Riksbank, to the Riksdag Committee on Finance, Stockholm, 4 March 2010**

### **Summary**

Riksbank Governor Stefan Ingves began the hearing on monetary policy at the Riksdag Committee on Finance by talking about monetary policy and the considerations entailed by the current economic situation.

The Executive Board decided at its most recent monetary policy meeting to hold the repo rate unchanged at 0.25 per cent. However the Swedish economy is at the same time approaching a situation where it is time to leave the crisis interest rate behind us and take steps towards an interest rate that is normal for a "regular" economic downturn. The Riksbank is expecting to begin raising the repo rate in the summer or in early autumn this year – somewhat earlier than was forecast in December. This is a healthy sign. The economic recovery is now resting on more solid ground.

But the road ahead of us is certainly not lacking in challenges. Some of the difficult considerations to be made concern when and how quickly public authorities around the world will withdraw the very strong economic stimulation they have been providing during the crisis. The work on preventing future crises is also both important and urgent.

The General Council of the Riksbank and the Executive Board of the Riksbank propose in a joint report to the Riksdag that one or several commissions of enquiry should be appointed to review the regulatory framework in the financial sector. The aim is to create a system which effectively contributes to maintaining financial stability and minimises the costs to consumers and society as a whole if a financial crisis arises. Mr Ingves emphasised that these questions should not become too long drawn out, nor should they be forgotten when the situation stabilises. With the drive and spirit of cooperation that prevailed during the crisis, we will have the right conditions for a better financial regulatory framework that provides a more stable base to stand on in the future. But we must begin to lay the foundations today.

To read the full speech click [here](#)

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