

## DECISION

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DEPARTMENT: Monetary Policy Department  
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# Policy rate decision (notified on 18 December 2025 at 9.30 am)

## The Riksbank's decision

1. The Riksbank sets the policy rate at 1.75 per cent, which means that it is left unchanged. The policy rate decided on shall apply as from 7 January 2026.
2. The Riksbank adopts the Monetary Policy Report, annex Monetary Policy Report.

As previously decided by the Riksbank (dnr 2024–01029), the minutes from the monetary policy meeting on 17 December 2025 shall be published on 30 December 2025 at 9.30 am.

## Grounds for the decision

### Legal basis

Under Chapter 2, Section 1 of the Sveriges Riksbank Act (2022:1568), the overriding objective of the Riksbank is to maintain low and stable inflation (the price stability objective). Without prejudice to the price stability objective, the Riksbank shall also contribute to a balanced development of production and employment (consideration for the real economy).

Under Chapter 2, Section 3 of the Sveriges Riksbank Act, the Riksbank shall, with the approval of the Riksdag, decide on the specification of the price stability target. In September 2017, the Riksbank decided that the target is that the annual change in the consumer price index with a fixed interest rate (CPIF) shall be 2 per cent (dnr 2017–00691).

The Riksbank's main monetary policy tool for achieving the price stability objective is the policy rate. By determining the policy rate, the Riksbank also sets the interest rate for its deposits, its credits and its repurchase agreements in financial instruments (Chapter 2, Section 4, second paragraph of the Sveriges Riksbank Act) and for certificates issued by the Riksbank (i.e. debt instruments pursuant to Chapter 2, Section 5, paragraph 2 of the Sveriges Riksbank Act).

### **Policy rate left unchanged at 1.75 per cent**

To stabilise inflation close to the target, in May 2024 the Riksbank began a series of policy rate cuts, from 4 per cent to 1.75 per cent in September this year. At its monetary policy meeting in November, the Riksbank decided to hold the policy rate unchanged at 1.75 per cent and at the same time communicated that it was expected to remain at this level for some time to come.

Although inflation has varied somewhat from month to month over the year, it has overall developed in line with the Riksbank's forecast in September and approached 2 per cent. Indicators continue to support the view of inflationary pressures in line with the target going forward. Compared with the forecast in September, growth has been higher and economic activity is assessed to be stronger. The labour market remains weak, but there are increasingly clear signs that it is beginning to improve. This development gives the Riksbank further reassurance that the economic recovery is under way, even if it will take time before economic activity returns to normal. Overall, the economic outlook is slightly better, while the inflation outlook is assessed to be unchanged. The Riksbank assesses that a policy rate at its current level helps to strengthen domestic demand and thus also economic activity. This, in turn, provides the conditions for inflation to stabilise close to the target in the medium term.

As part of attaining the price stability target, the Riksbank assesses that under the prevailing circumstances and taking into account the consequences for the real economy and the functioning of the financial markets, a well-balanced decision is to hold the policy rate unchanged at 1.75 per cent.<sup>1</sup> The effects of the monetary policy decision are also considered to be in reasonable proportion to the costs and risks that the decision entails for the finances of the Riksbank and the State. The Riksbank therefore considers that the decision is compatible with the principle of proportionality in Chapter 1, Section 8 of the Sveriges Riksbank Act.

If the outlook for inflation and economic activity holds, the policy rate is expected to remain at 1.75 per cent for some time to come.

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<sup>1</sup> This is developed further in the Monetary Policy Report, see enclosure.

This decision has been taken by the Executive Board (Governor Erik Thedéen, First Deputy Governor Aino Bunge and Deputy Governors Per Jansson and Anna Seim) following a presentation by Adviser Peter Gustafsson. The Head of the Monetary Policy Department Åsa Olli Segendorf and General Counsel Annica Sandberg took part in the final processing work.