Central banks and central banking: What challenges and potential pitfalls ahead?

Of the uses of central banks: Lessons from history
Conference at Norges Bank 5-6 June 2014

Deputy Governor Karolina Ekholm
Less responsive policy rate to changes in inflation

Sources: Statistics Sweden and the Riksbank
Concerns over household indebtedness

Per cent of disposable income

Sources: Statistics Sweden and the Riksbank
Significant errors in short-term forecast of inflation

CPIF in per cent (annual rates)

Sources: TNS Prospera and the Riksbank
Falling inflation expectations

Sources: TNS Prospera and the Riksbank
Decrease in probability mass for above target inflation

Median and 75 per cent confidence bands for five-year ahead inflation expectations.