

## Summary minutes

### Monetary policy meeting of the Executive Board, 9 August 2000

#### Present:

From the Executive Board: Svein Gjedrem, Jarle Berge, Esther Kostøl, Torgeir Høyen, Sigbjørn Johnsen, Trond R. Reinertsen and Tore Johansen.

Employee representatives: Espen Halvorsen and Sonja Blickfeldt Myhre, who participated in the Board's consideration of administrative item nos. 1 and 2.

From Norges Bank's administration: Jan F. Qvigstad (item 3), Henning Strand (item 3), Poul Henrik Poulsson, Else M. Bøthun (item 2), Jon Nicolaisen (item 3), Morten Baltzersen (item 3), Grete Hammerstrøm (item 3), Ole J. Oldertrøen and Judith Ellingsen.

[ ... ]

#### 3. The current monetary policy situation

Related documents: CONFIDENTIAL memo 3 August 2000 (use of instruments) from Wing I

STRICTLY CONFIDENTIAL memo 9 August 2000 (decision document) from Wing I/Economics Department

The Governor presented a review of the main economic developments since the previous Executive Board meeting, with particular emphasis on developments in money, foreign exchange and capital markets. He went on to explain the main assessments underlying the proposal in the decision document to raise the key policy rate by 0.50 percentage point. The Board was informed that the matter had been submitted to the Ministry of Finance.

The Executive Board discussed the proposal and decided to increase the interest rate on banks' sight deposits and intraday loans (D-loans) at Norges Bank by 0.5 percentage point to 6.75 and 8.75 percentage points respectively with effect as from 10 August 2000.

Executive Board member Esther Kostøl was unable to concur with the majority view and presented arguments to support her view that the interest rate should not be raised.

The Executive Board took note of the memo concerning the August assessment of the use of instruments.