

Summary minutes

Monetary policy meeting of the Executive Board, 14 June 2000

Present:

From the Executive Board: Svein Gjedrem, Jarle Berge, Esther Kostøl, Torgeir Høien, Sylvi Røsland Sørfonn, Sigbjørn Johnsen and Trond R. Reinertsen.

From Norges Bank's administration: Jan F. Qvigstad, Poul Henrik Poulsson, Jon Nicolaisen, Kristin Gulbrandsen, Morten Baltzersen, Henning Strand, Grete Hammerstrøm, Ole J. Oldertrøen and Judith Ellingsen.

Matters for consideration:

1. The current monetary policy situation

Related documents: STRICTLY CONFIDENTIAL memo 8 June 2000 (strategy document) from Wing I/ Economics Department

STRICTLY CONFIDENTIAL memo 14 June 2000 (background and recommended general assessment) from Wing I/Economics Department

CONFIDENTIAL memo 8 June 2000 (assessment of use of instruments) from Wing I/ Economics Department

The Deputy 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.

The Governor then presented the proposed strategy for the third quarter of 2000.

On this basis, the Executive Board discussed and approved, with some more precise formulations that will be included in the next version, the recommendations in strategy document no. 3 for 2000 on the conduct of monetary policy in the third quarter of 2000.

The Governor explained 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 decided to increase the interest rate on banks' sight deposits and intraday loans (D-loans) at Norges Bank by 0.50 percentage point to 6.25 and 8.25 percentage points respectively with effect as from 15 June 2000.

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