



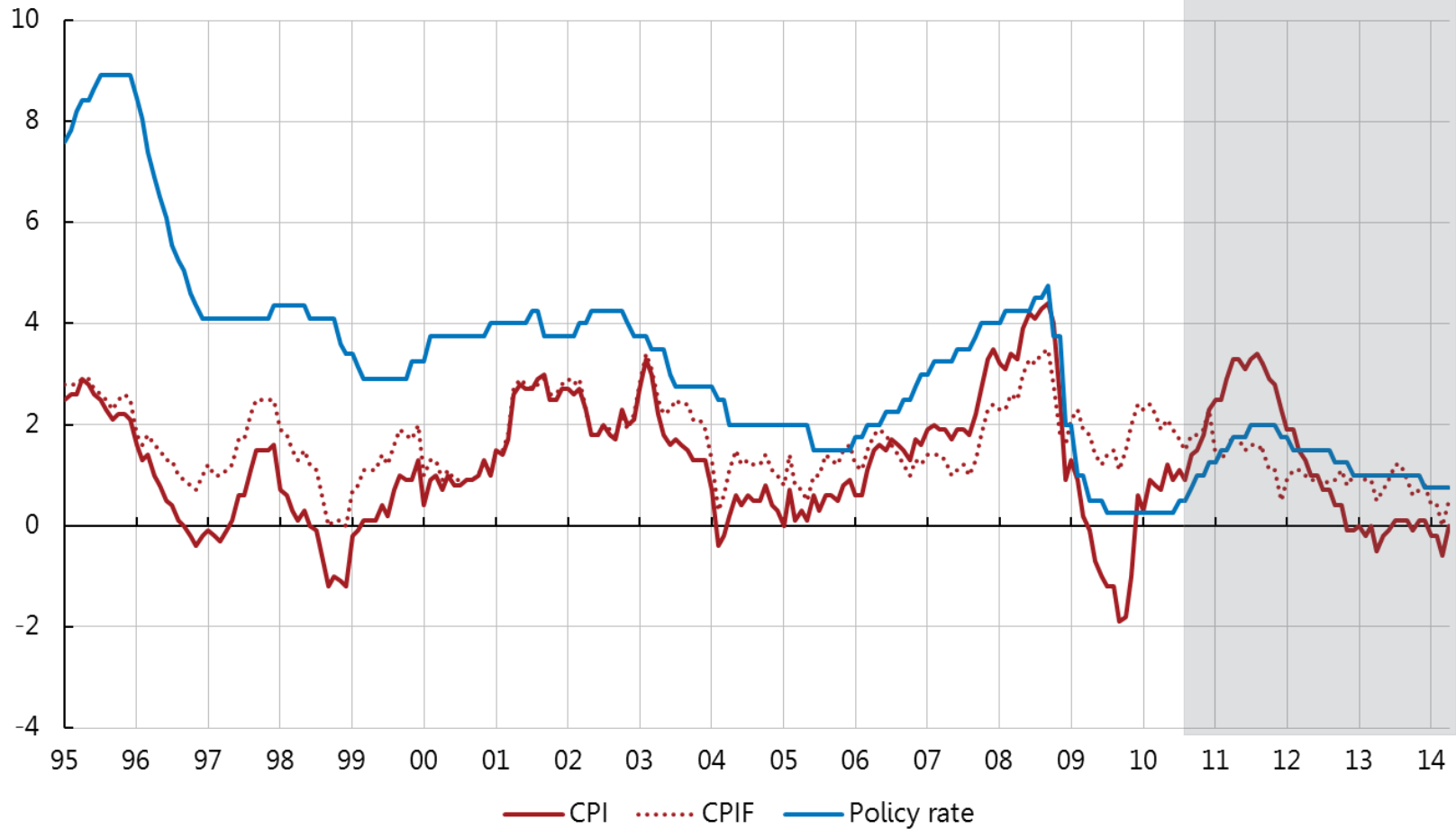
# Central banks and central banking: What challenges and potential pitfalls ahead?

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

Deputy Governor Karolina Ekholm

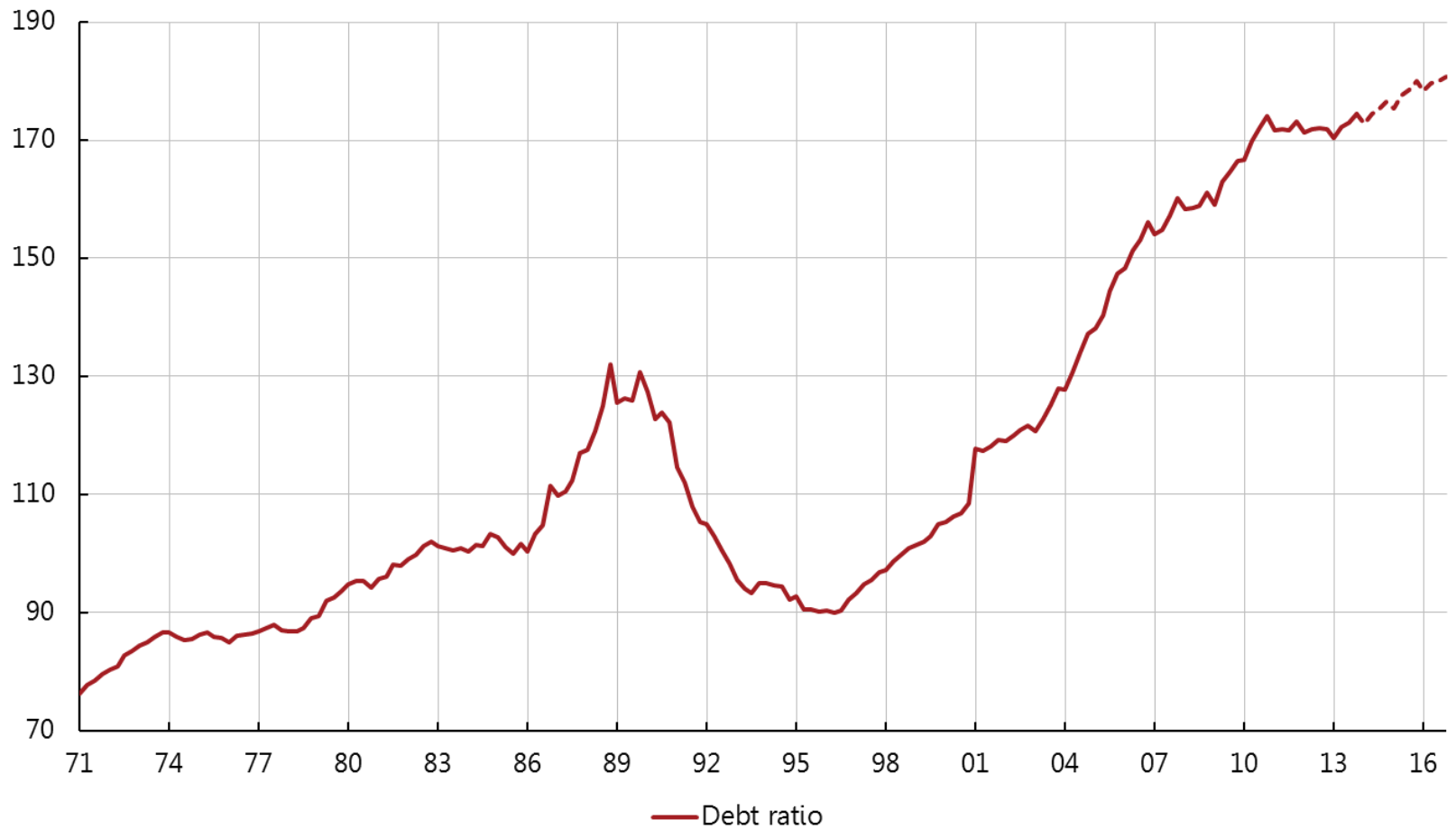
# Less responsive policy rate to changes in inflation

Per cent



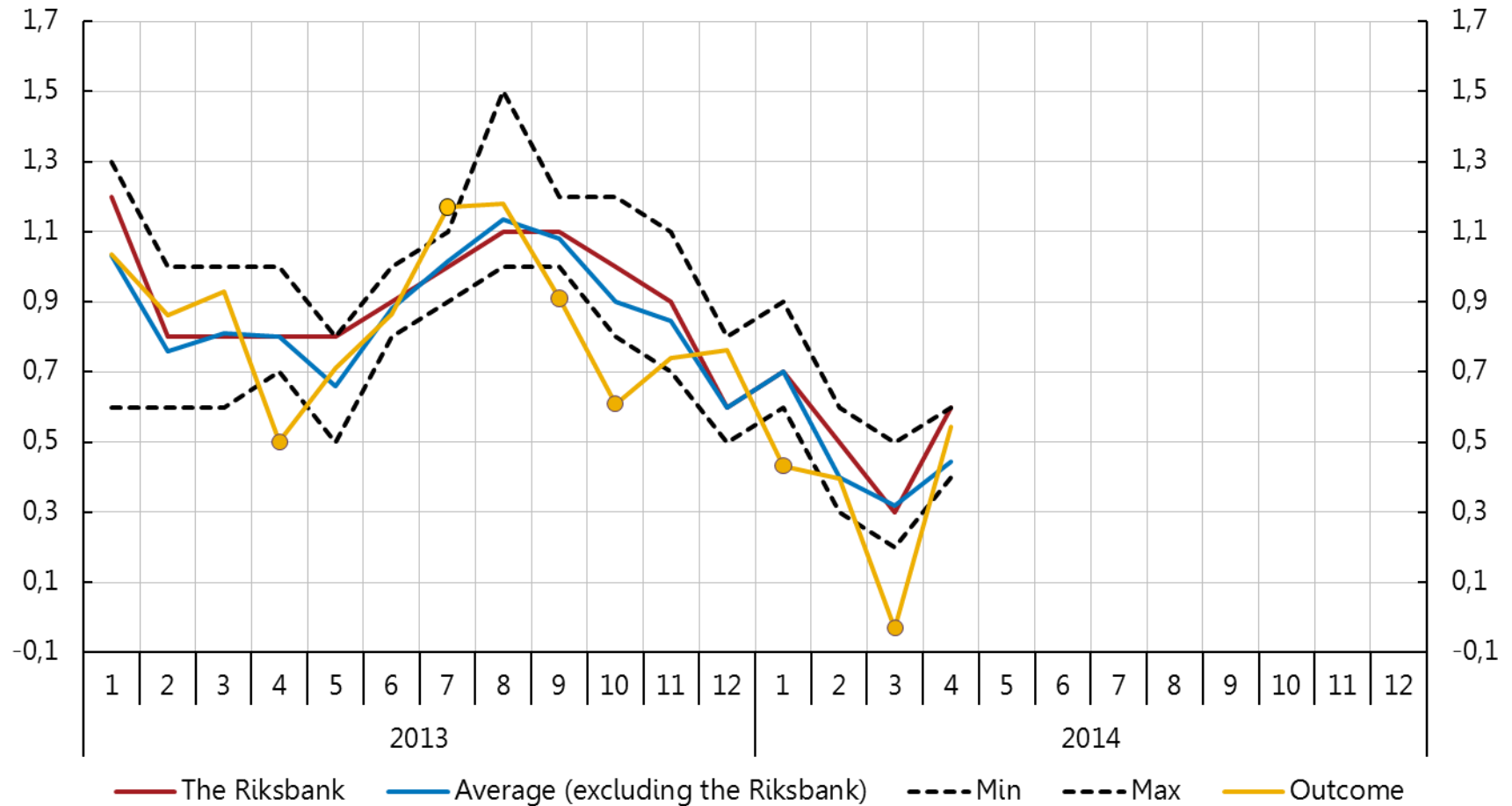
# Concerns over household indebtedness

Per cent of disposable income



# Significant errors in short-term forecast of inflation

CPI in per cent (annual rates)



# Falling inflation expectations

Per cent



# Decrease in probability mass for above target inflation

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

Per cent

