

## Monetary policy meeting of the Executive Board, 25 June 2003

### 1. Current economic policy

Related documents: CONFIDENTIAL memo 19 June 2003 (assessments) from Monetary Policy  
STRICTLY CONFIDENTIAL memo 25 June 2003 (background and general assessment) from Monetary Policy  
Draft minutes of a meeting between the Ministry of Finance and Norges Bank on 29 April 03

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 and his assessment of these developments in relation to the monetary policy strategy.

Mr. Martin Gjelsvik from the Rogalandforskning research institute presented a review of the work related to Norges Bank's regional network.

The Governor and the Deputy Governor then presented the main assessments underlying the proposal for an interest rate reduction of 1.0 percentage point. The Board was informed that the matter had been submitted to the Ministry of Finance at a meeting on 24 June 2003.

On this basis, the Executive Board had a discussion and decided to reduce the rate on banks' sight deposits and D-loans in Norges Bank by 1.0 percentage point to 4.00 and 6.00 percent respectively with effect as from 26 June 2003.

The Executive Board also took note of the memo "Assessments June 2003". The Deputy Governor informed the Board that the minutes of the meeting between the Ministry of Finance and Norges Bank had now been approved.