

Monetary policy meeting of the Executive Board, 30 April 2003

1. The current monetary policy situation

Related documents: CONFIDENTIAL memo 23 April 2003 (assessments) from Monetary Policy
STRICTLY CONFIDENTIAL memo 30 April 2003 (background and general assessment) from Monetary Policy
Draft minutes of the meeting between the Ministry of Finance and Norges Bank 4 March 2003

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.

Ms. Mette Rye from the Møreforsking research institute presented a review of the work related to Norges Bank's regional network.

The Deputy Governor then presented the main assessments underlying the proposal for an interest rate decrease of 0.50 percentage point. The Board was informed that the matter had been submitted to the Ministry of Finance at a meeting on 29 April 2003 and the Executive Board was given a brief report of the meeting.

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 0.5 percentage point to 5.00 and 7.00 percent respectively with effect as from 1 May 2003.

The Executive Board also took note of the memo "Assessments April 2003". The Deputy Governor informed the Board that the minutes of the meeting between the Ministry of Finance and Norges Bank on 4 March 2003 had now been approved.