



# **MONETARY POLICY STRATEGY - FROM MANDATE TO DECISIONS**

**GOVERNOR ØYSTEIN OLSEN**

Oslo, 20 October 2021

# From mandate to decisions



When is inflation low and stable?



What does high employment mean?



When are financial imbalances building up?



How are the considerations weighed against each other?



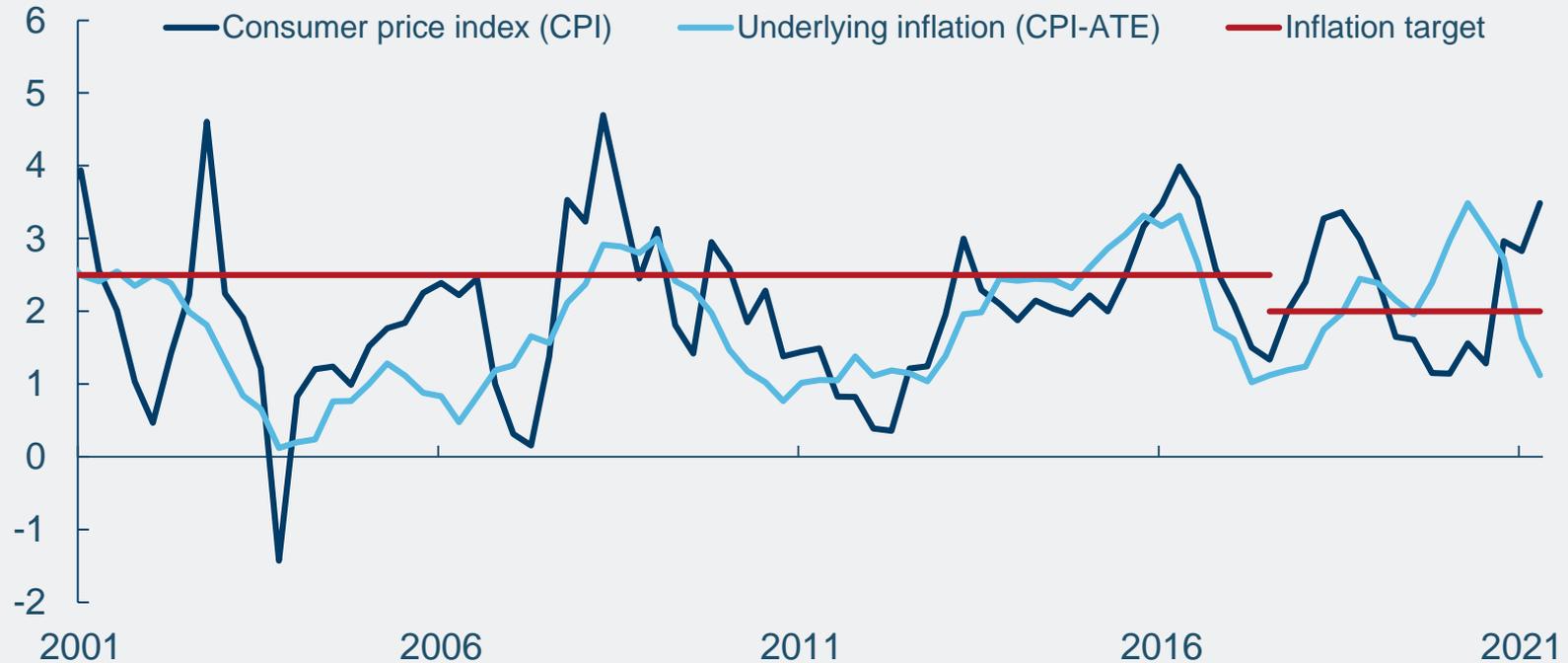
# The neutral real interest rate has fallen

Estimate of the neutral real money market rate. Percent



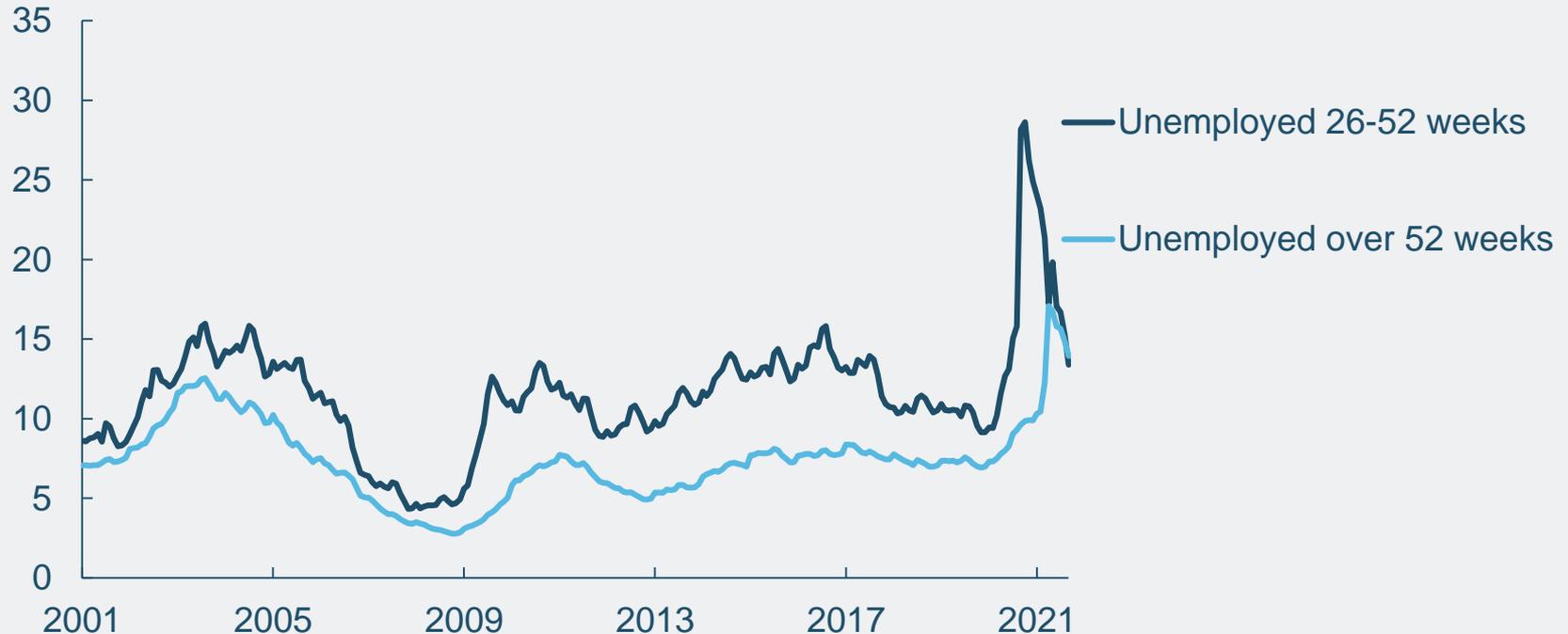
# Inflation fluctuates around the target

Four-quarter change. Percent



# The number of long-term unemployed is still high

Long-term unemployed. In thousands

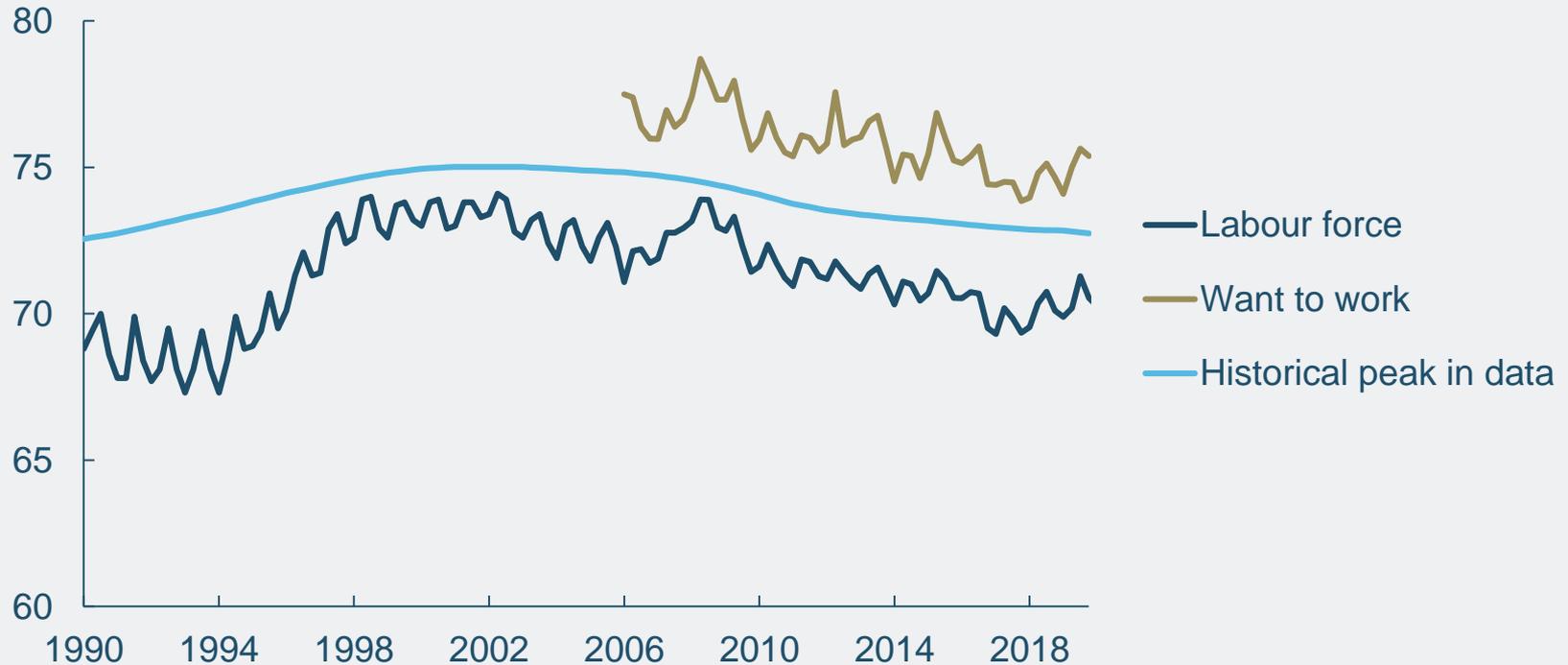


Sources: Norwegian Labour and Welfare Administration (NAV) and Norges Bank

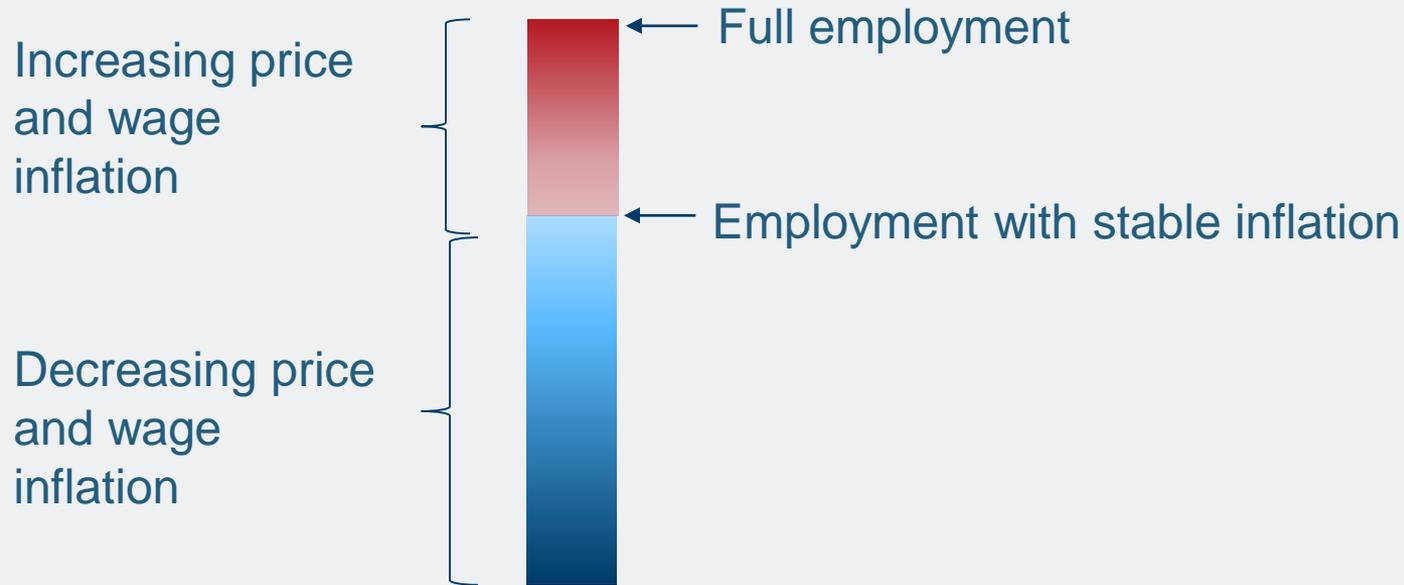


# What is full employment?

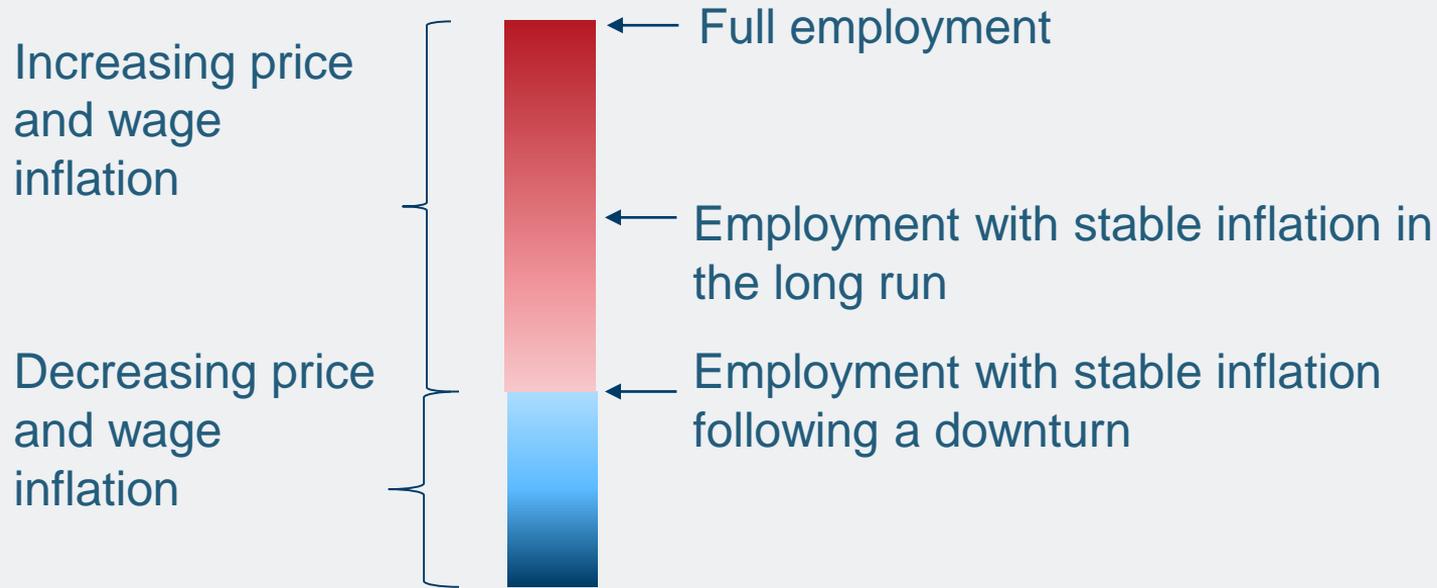
Percentage of the population aged 16-74



# Employment consistent with price stability (I)



# Employment consistent with price stability (II)



# House prices and debt have been rising for a long time

Index. 1995 = 100





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