

Executive Board meeting of 31 May 2006

1. The current monetary policy situation

Related documents: Memo 24 May 2006 – Economic developments since 19 April 2006 from Monetary Policy
Draft minutes of meeting between Norges Bank and the Ministry of Finance on 15 April 2006
CONFIDENTIAL memo 24 May 2006 – Updated inflation outlook from Monetary Policy
STRICTLY CONFIDENTIAL memo 31 May 2006 from Monetary Policy.
Background and general assessment (distributed at the meeting)
Presentations from Monetary Policy

The 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.

On this basis, the Executive Board had a discussion. The Board decided to increase Norges Bank's sight deposit rate by 0.25 percentage point to 2.75 percent with effect from 1 June 2006. The D-loan rate will be increased correspondingly to 4.75 percent.

The Executive Board also took note of the memo "Economic developments since 19 April 2006". The Governor informed the Board that the minutes of the meeting between the Ministry of Finance and Norges Bank on 15 April 2006 had now been approved.