

Executive Board meeting of 13 December 2006

4. The current monetary policy situation

Related documents: Memo 7 October 2006 – Economic developments since 26 October 2006 from Monetary Policy
Draft minutes of meeting between Norges Bank and the Ministry of Finance on 31 October 2006
Report from Norges Bank's Regional Network. Memo 7 December 2006 from Monetary Policy
Memo 7 December 2006 from Monetary Policy – Updated inflation outlook
STRICTLY CONFIDENTIAL memo 12 December 2006 – Background and general assessment from Monetary Policy
Presentations from Monetary Policy

Nina Jentoft from Agderforskning and Marianne Isaachsen presented a review of the main findings and trends in the reports from Norges Bank's Regional Network.

The Deputy Governor then 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 3.50 percent with effect from 14 December 2006. The D-loan rate will be increased correspondingly.

The Executive Board also took note of the memo "Economic developments since 26 October 2006" and the minutes of the meeting between the Ministry of Finance and Norges Bank on 31 October 2006.