

Arendalsuka 2021

ECONOMIC OUTLOOK

GOVERNOR ØYSTEIN OLSEN, 19 August 2021



Agenda

1. Structure of Norges Bank's policy rate assessments
2. Background to the policy rate decision



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Norges Bank's policy rate assessments

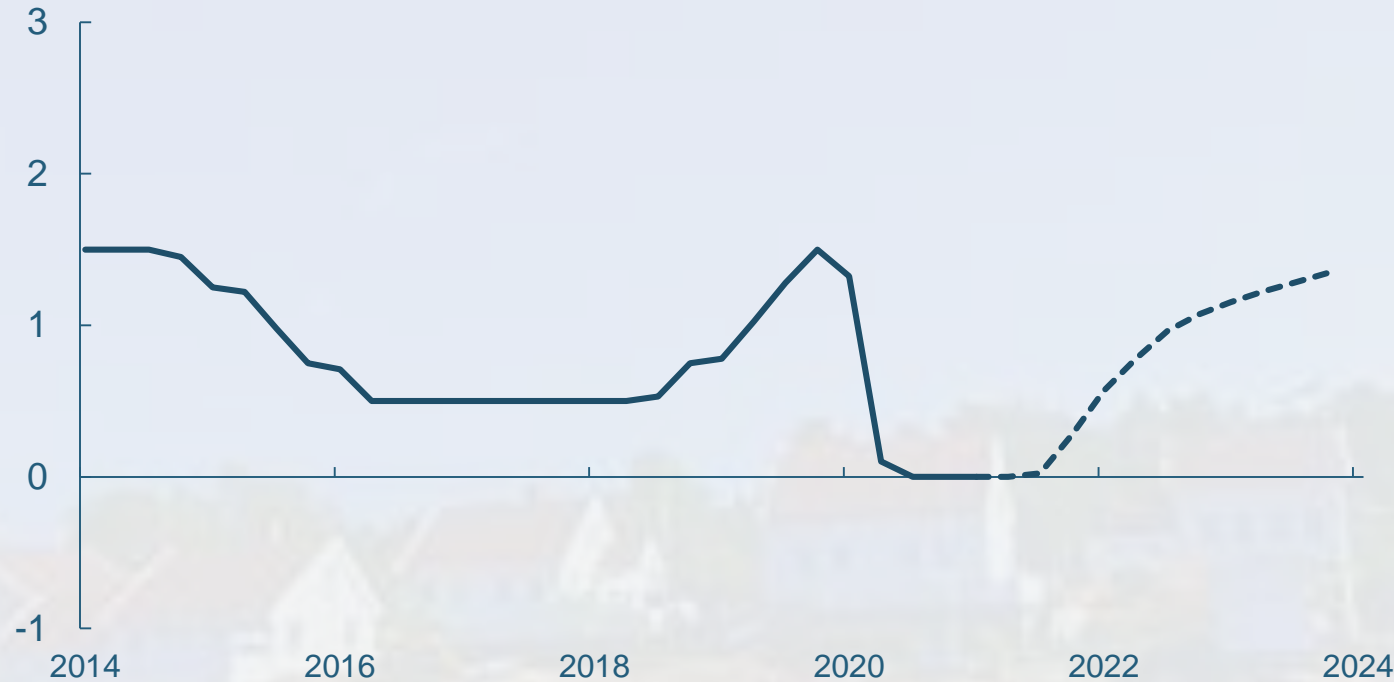


- Norges Bank normally issues policy rate decisions eight times a year.
- *Monetary Policy Report with financial stability assessment* (MPR) is published four times a year. They contain an economic forecast and an updated policy rate path.
- No new MPR will be published in connection with today's policy rate decision and thus no new forecasts or policy rate path.



Norges Banks policy rate path from June (MPR 2/21)

Policy rate. Percent



Today's policy rate decision

Policy rate unchanged at zero percent

Norges Bank's Monetary Policy and Financial Stability Committee has decided to keep the policy rate unchanged at zero percent.



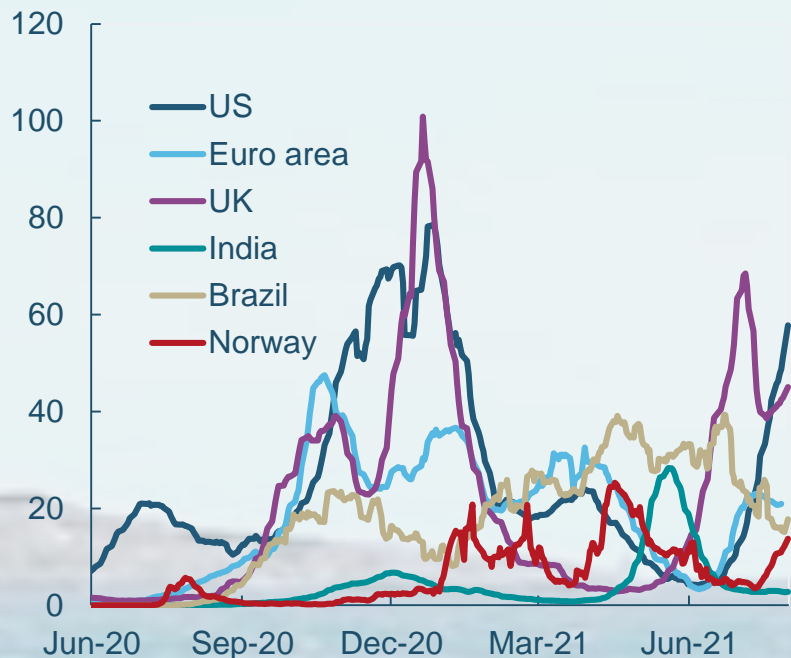
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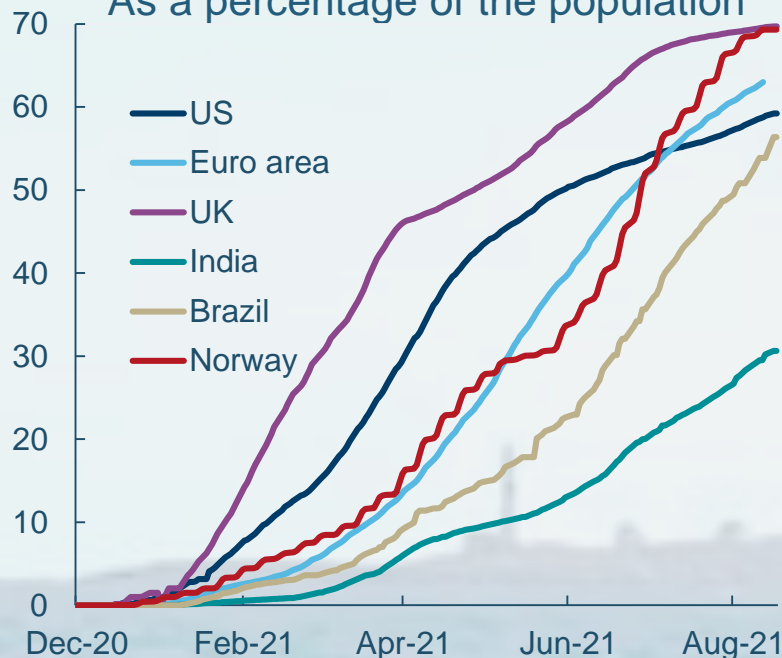


Infection rates are rising, but many are being vaccinated

New cases per 100 000



Vaccinated with at least one dose.
As a percentage of the population



1) Seven-day moving average.

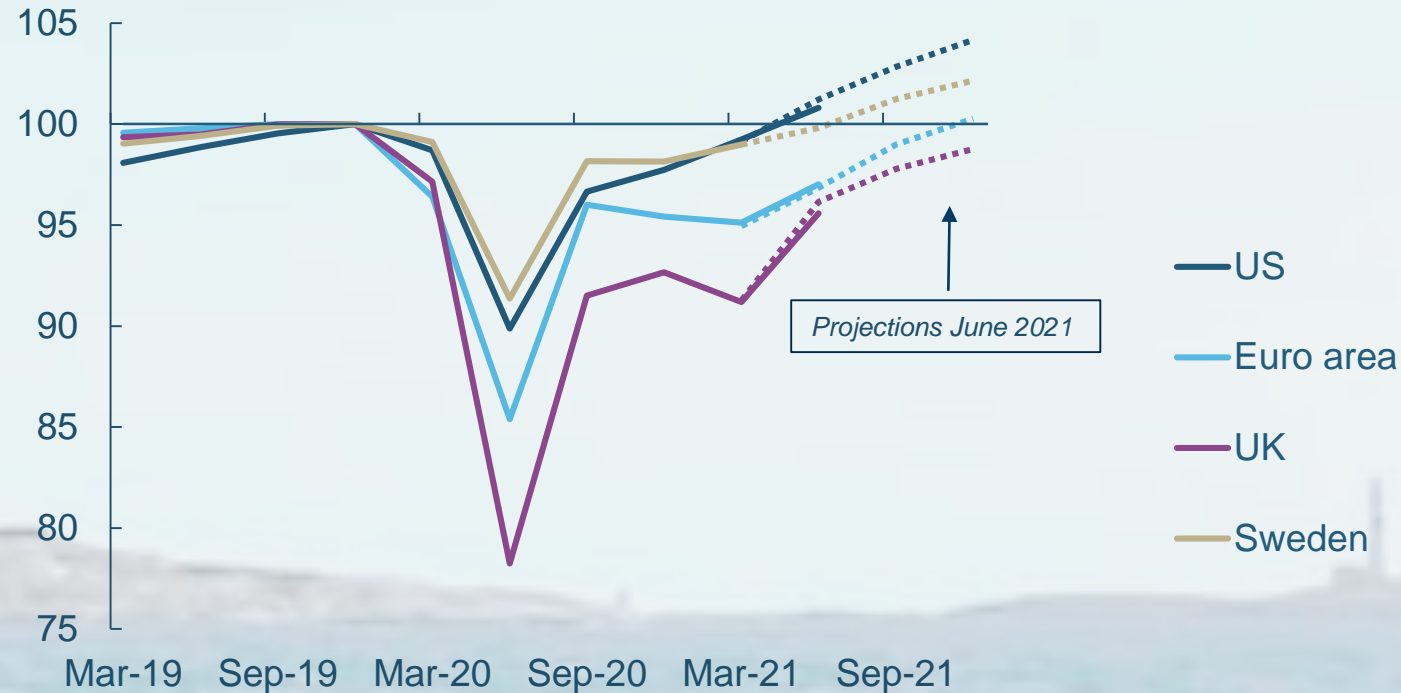
2) Latest observation is 16 August. Unweighted average.

Sources: Refinitiv Datastream and Norges Bank



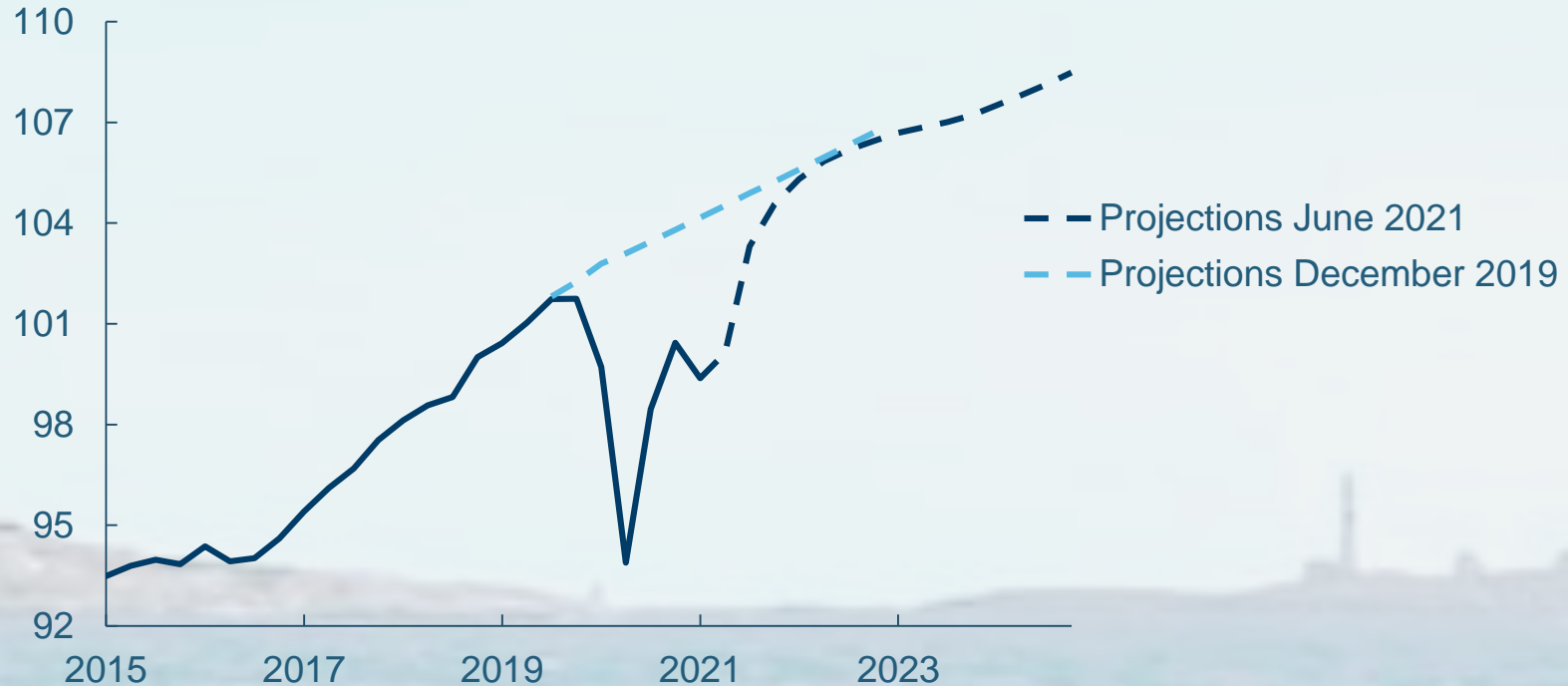
Growth abroad has picked up

GDP. Index. 2019 Q4 = 100



Norway: Growth is rising

GDP mainland Norway. Index. 2018 Q4 = 100

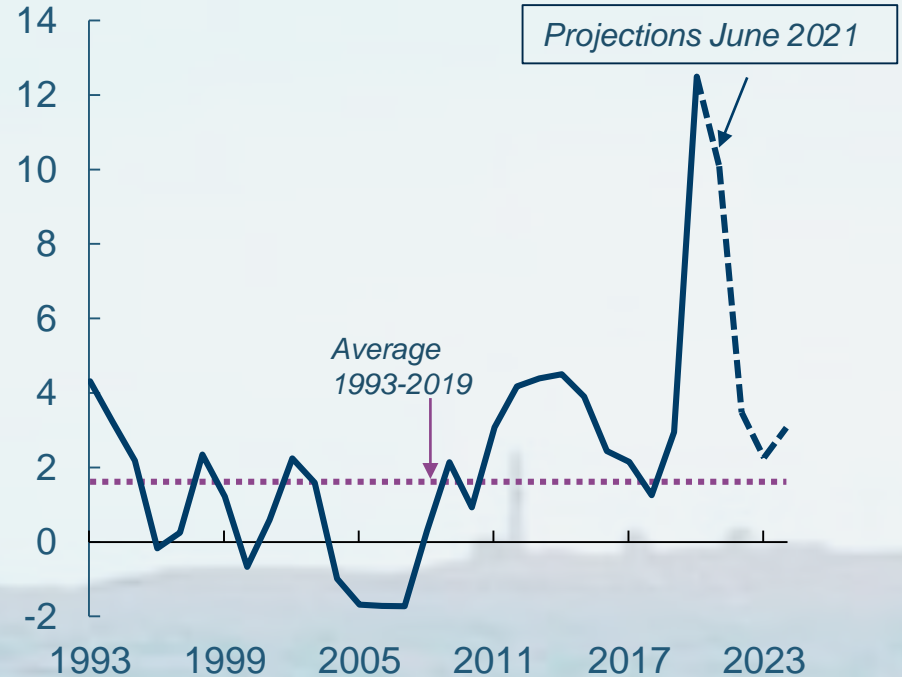


Private consumption boosts growth

Private consumption and real disposable income



Household saving



Lower unemployment

Registered unemployment. Percent



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



Temporarily lower inflation

CPI and CPI-ATE. Percent





Thank you for your
attention!



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