

Forward Guidance Elements: Positive Policy Rate Environments

| Country (Year FG introduced) | Central bank | Current policy rate | Policy rate when FG introduced (%) | Recent policy rate (%) | Official policy publication |
|--|--------------------------------|------------------------|---------------------------------------|---------------------------|--------------------------------------|
| New Zealand (1997) | Reserve Bank of New Zealand | Official cash rate | — | 2.50 | <i>Monetary Policy Statement</i> |
| <p>“Reflecting the balance of several forces, we expect annual GDP growth to accelerate to about 3.5 percent by the second half of 2014, and inflation to rise towards the midpoint of the 1 to 3 percent target band...</p> <p>Given this outlook, we expect to keep the OCR [official cash rate] unchanged through the end of the year.”</p> <p>—<i>Monetary Policy Statement</i>, June 2013</p> | | | | | |
| Norway (2005) | Norges Bank | Sight deposit rate | 2.25 | 1.50 | <i>Monetary Policy Report</i> |
| <p>“The Executive Board decided to keep the key policy rate unchanged at 1.5%.</p> <p>The Executive Board decided that the key policy rate should be in the interval 1%–2% until the publication of the next Report on 14 March 2013, unless the Norwegian economy is exposed to new major shocks.”—<i>Monetary Policy Report</i>, October 2012</p> | | | | | |
| Sweden (2007) | Riksbank | Repo rate | 3.25 | 1.00 | <i>Monetary Policy Report</i> |
| <p>“The repo rate needs to remain at the current low level for around one year to stimulate the economy and to contribute to CPIF inflation [the underlying inflation rate] rising towards the target [2 per cent].</p> <p>The Executive Board of the Riksbank has therefore decided to hold the repo rate unchanged at 1 per cent. Slow increases in the repo rate are not expected to begin until the second half of 2014.”—<i>Monetary Policy Report</i>, July 2013</p> | | | | | |

NOTE: CPIF, consumer price index with a fixed interest rate; FG, forward guidance.