

The role of central bank money in the payment market of tomorrow

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The economic situation since the MPR in July

What has happened in the rest of the world over the summer?



Concern over Italy still on a high level



Escalated trade conflict between the United States and China



Turbulence in Turkey

Sweden: Continued strong economic activity

Stronger GDP growth than expected



Annual percentage growth and percentage of labour force, 15–74 years.

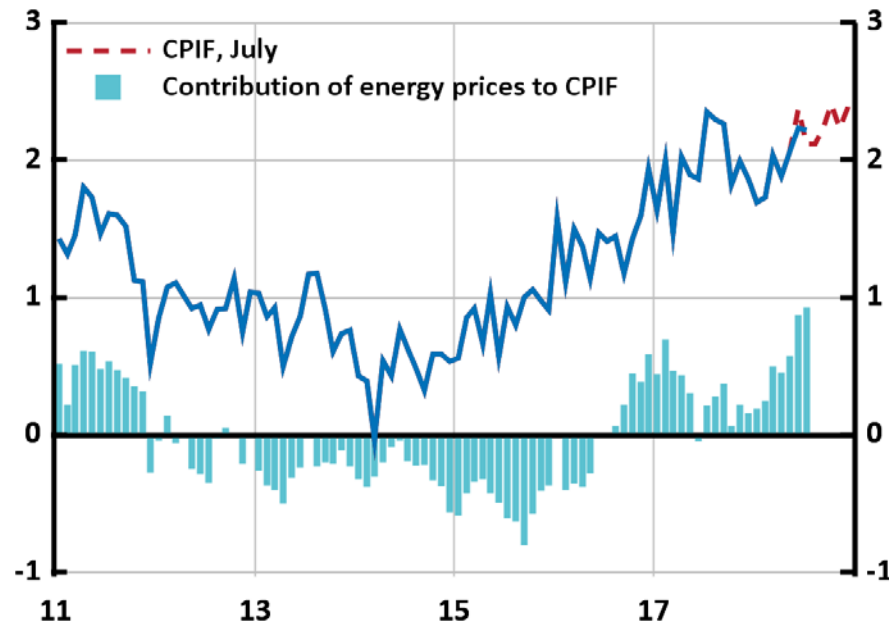
Unemployment in line with the forecast



Sources: Statistics Sweden and the Riksbank

Inflation close to target

CPIF 2.2 per cent over the summer



Annual percentage change respective per cent, average. The contribution of energy prices to CPIF is calculated as the difference between CPIF and CPIF-XE. The inflation expectations refer to money market players.

Inflation expectations continue to be around the target



Sources: Statistics Sweden, TNS SIFO Prospera and the Riksbank

Macro development over the summer

- GDP growth was stronger than expected in Q2
- Unemployment in line with the forecast
- CPIF inflation in July was higher than expected
- Inflation expectations continue to be on target

3.8

GDP growth
Q2

6.2

Unemploy-
ment Q2

2.2

CPIF July

Annual percentage change of actual GDP, unemployment as a percentage of the population between 15-74 years and annual percentage change of CPIF.

Source: Statistics Sweden



The Riksbank's role on the payment market

Payments basis of all economic activity

Confidence in money

Promote a safe & efficient
payment system

Why central
banks were
created

Monetary
policy

Financial
stability

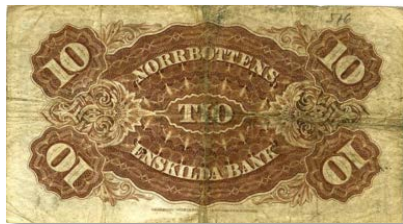
Without
confidence:
economic
collapse

Money adjusted to technology and needs

Government
money



Private
money



Government
currency

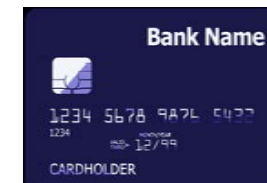


Private electronic
money



swish®

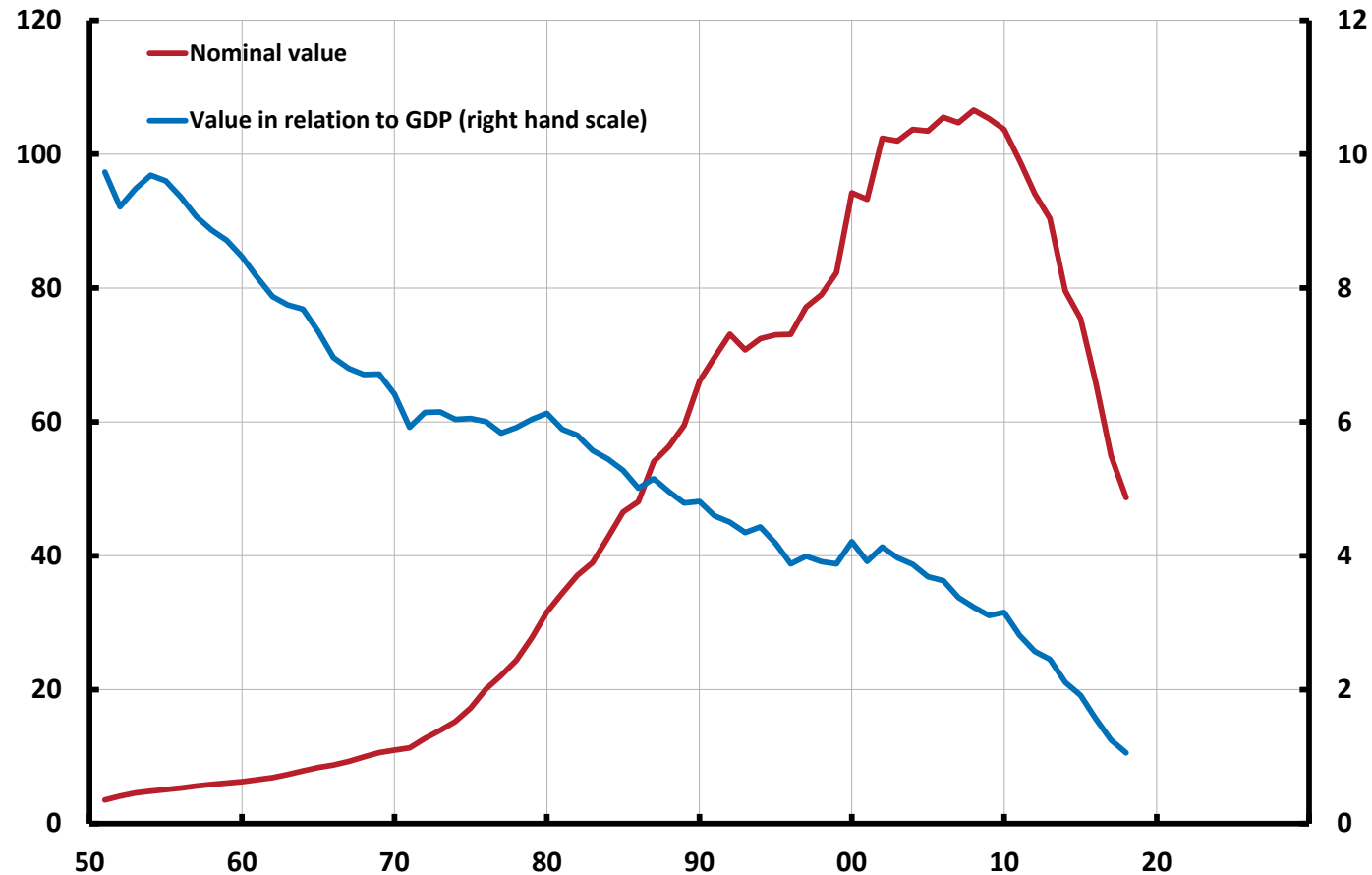
iZettle



Government
electronic
currency



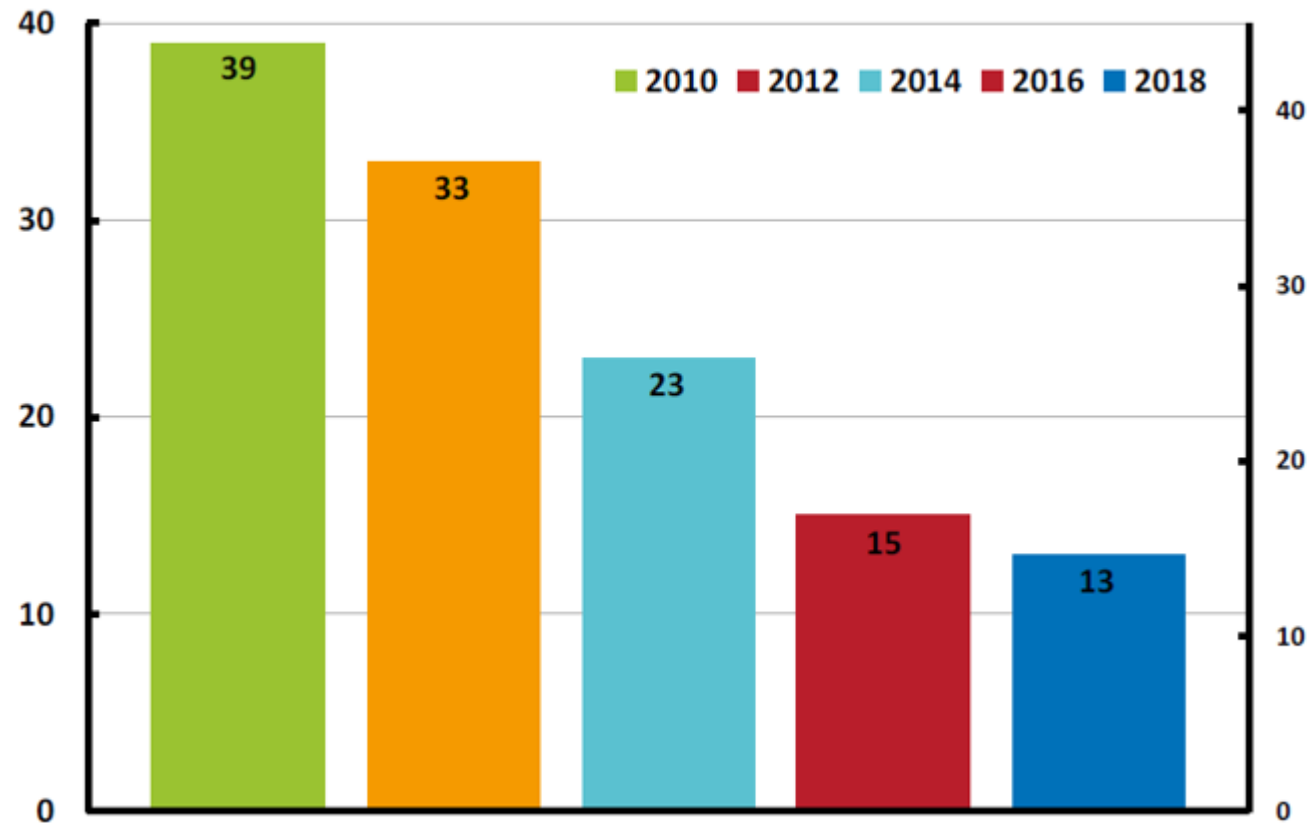
Cash is declining in significance in Sweden



SEK billion (annual average). Cash in circulation/GDP. Broken lines estimate possible development based on trend from 2010.

Source: Statistics Sweden and the Riksbank

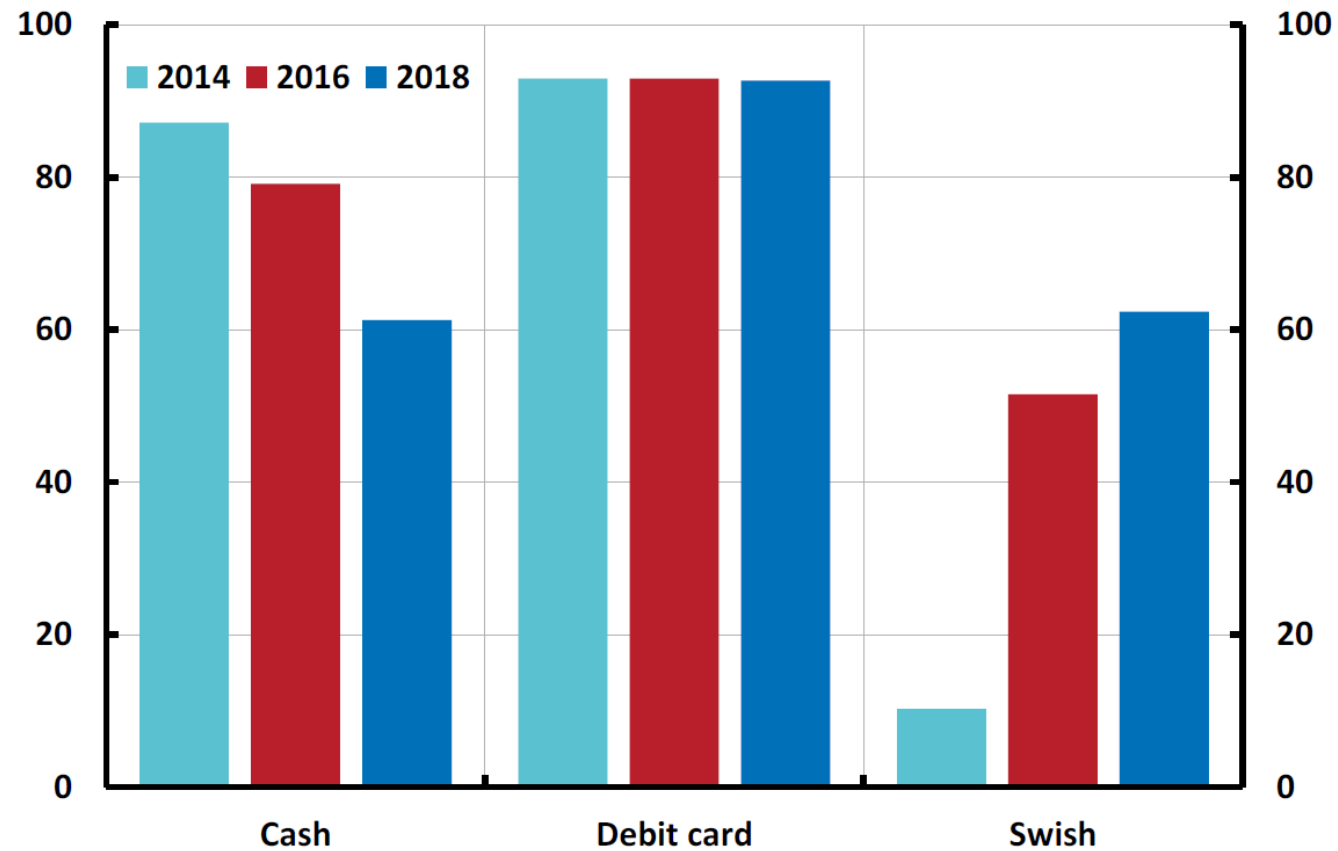
Fewer and fewer people are paying in cash - surveys



Percent. Percentage of respondents who used cash to make their most recent payment.

Source: Riksbank

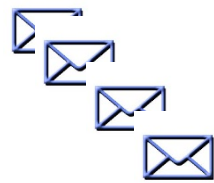
Swish is now as common as cash payments



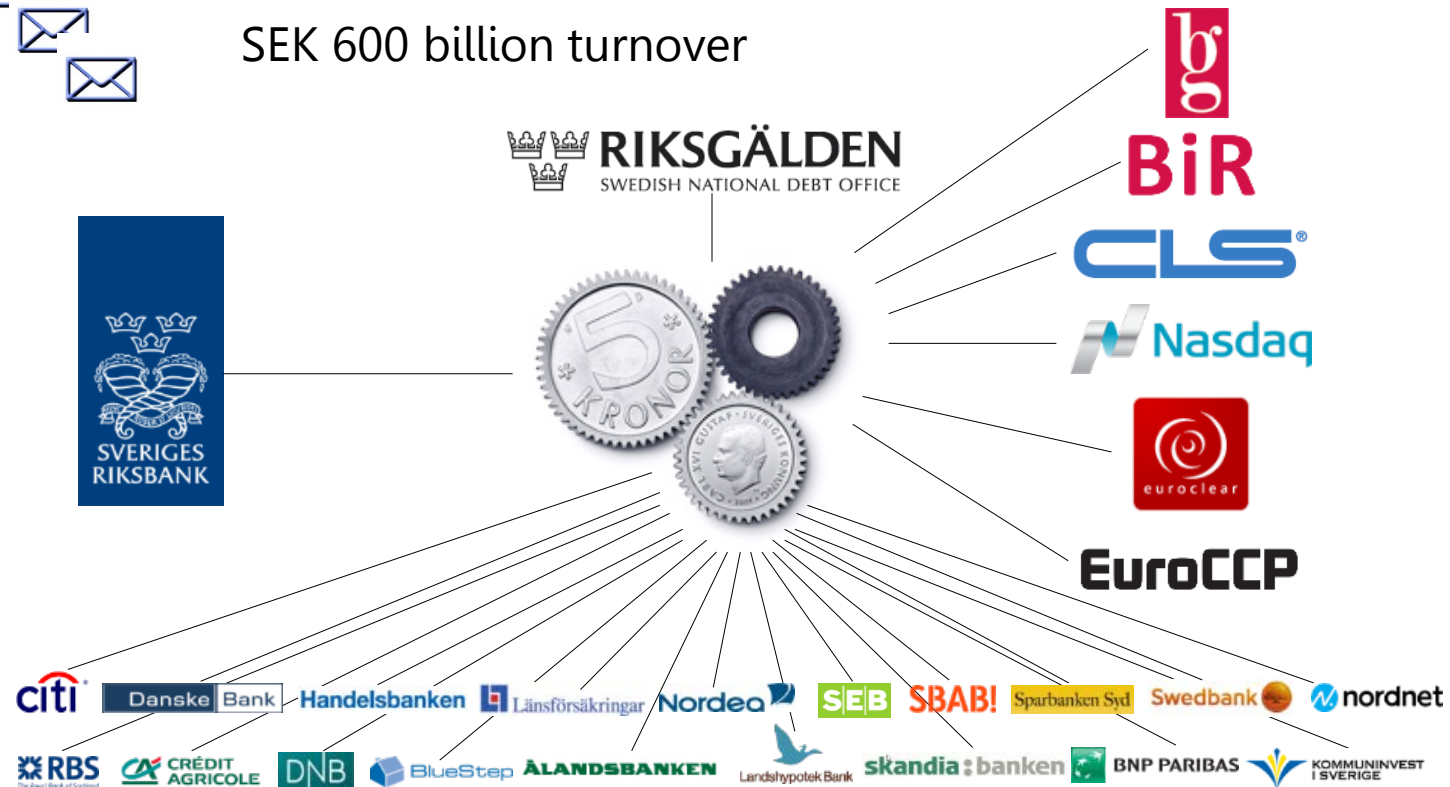
Percent. The figure shows responses to the question: Which means of payment have you used in the past month?

Source: Riksbank

All roads in SEK lead to RIX



18,000 transfer orders/day
SEK 600 billion turnover



The Riksbank will modernise its payment services to the market



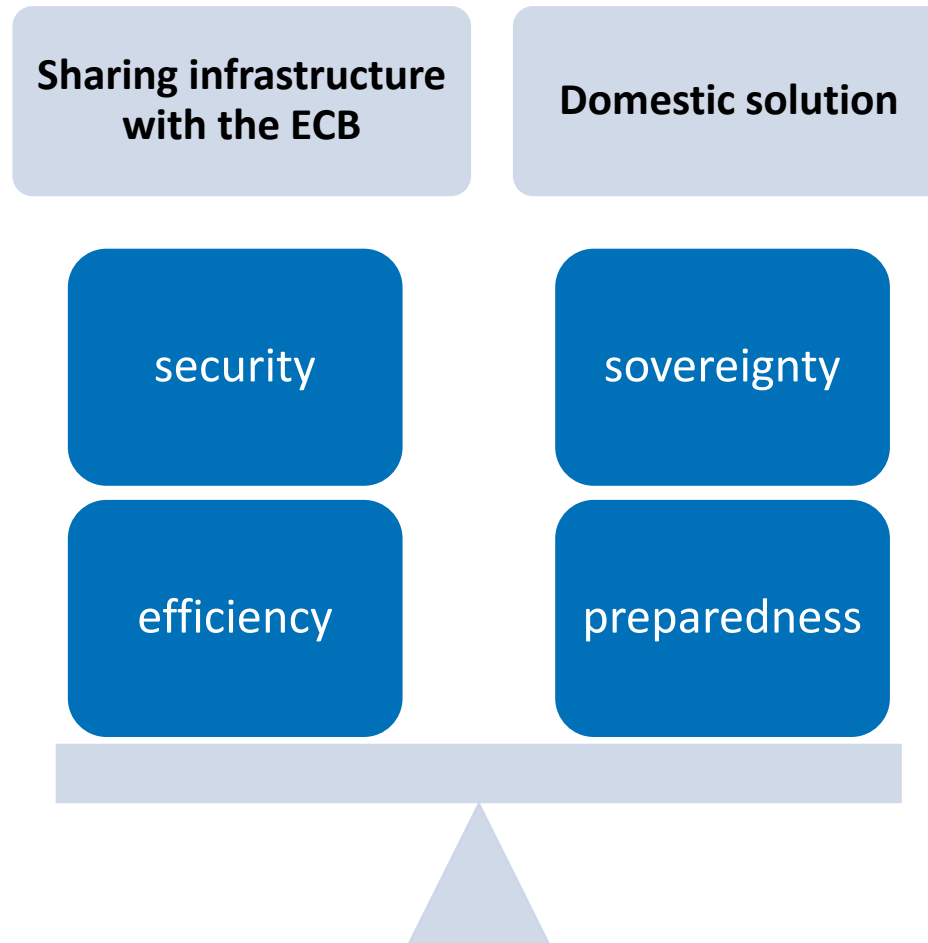
The Riksbank wants to develop its services to match today's technology and new ways to pay



On the way in the payment market

- 1 The Riksbank has approached the market with two consultations
- 2 The Riksbank Committee has produced an interim report on cash
- 3 P27, a pan-Nordic banking initiative

The infrastructure – the technical platform – does not have to be in Sweden



The e-krona: the means of payment of the future?

- Possible properties of an e-krona need further analysis
- Legislation will be needed for clarity's sake – current legislation obsolete
- E-krona's properties must determine choice of technical solution

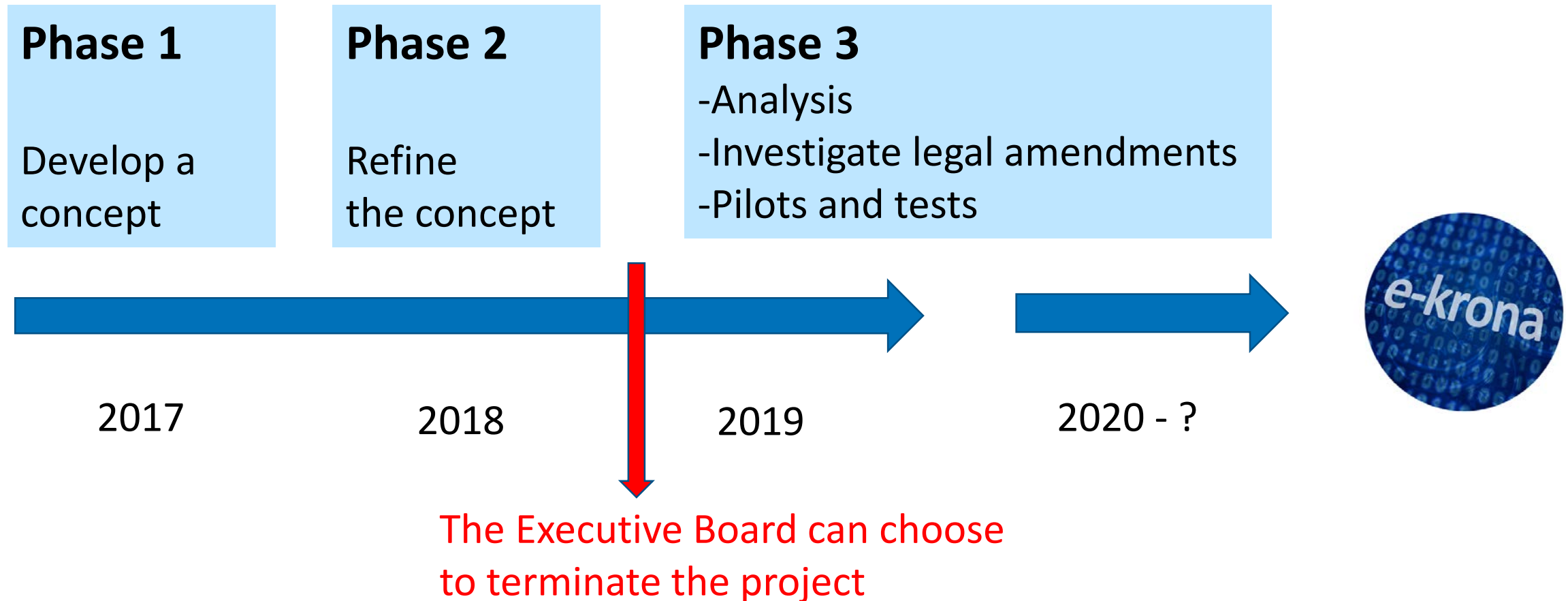


The e-krona secures efficiency and crisis preparedness in a market where this is needed



- The e-krona could increase competition on the payment market
- Certain groups find it difficult to cope with today's digital solutions
- The Riksbank's means of payment can be prepared for crisis situations

One e-krona? The Riksbank's overall timetable



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Thank you!