



THE ROLE OF CENTRAL BANKS: A NORWEGIAN PERSPECTIVE

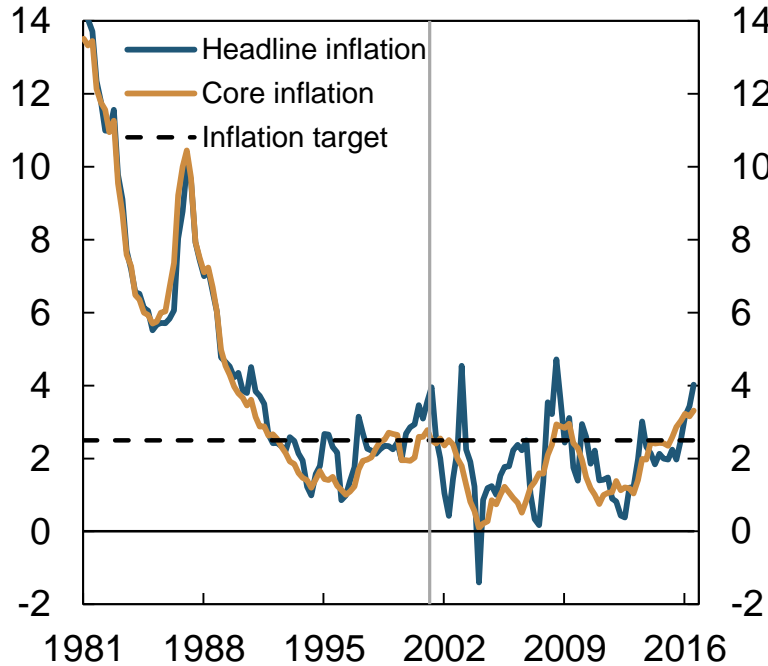
GOVERNOR ØYSTEIN OLSEN, OMFIF CITY LECTURE, 1 NOVEMBER 2016



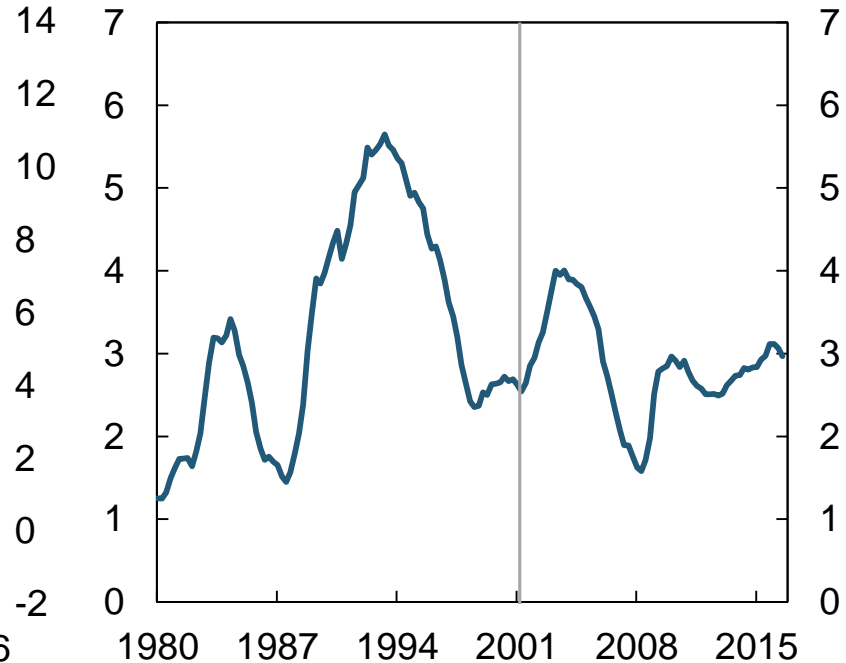
NORGES BANK
200th Anniversary

Performance

Inflation. Percent

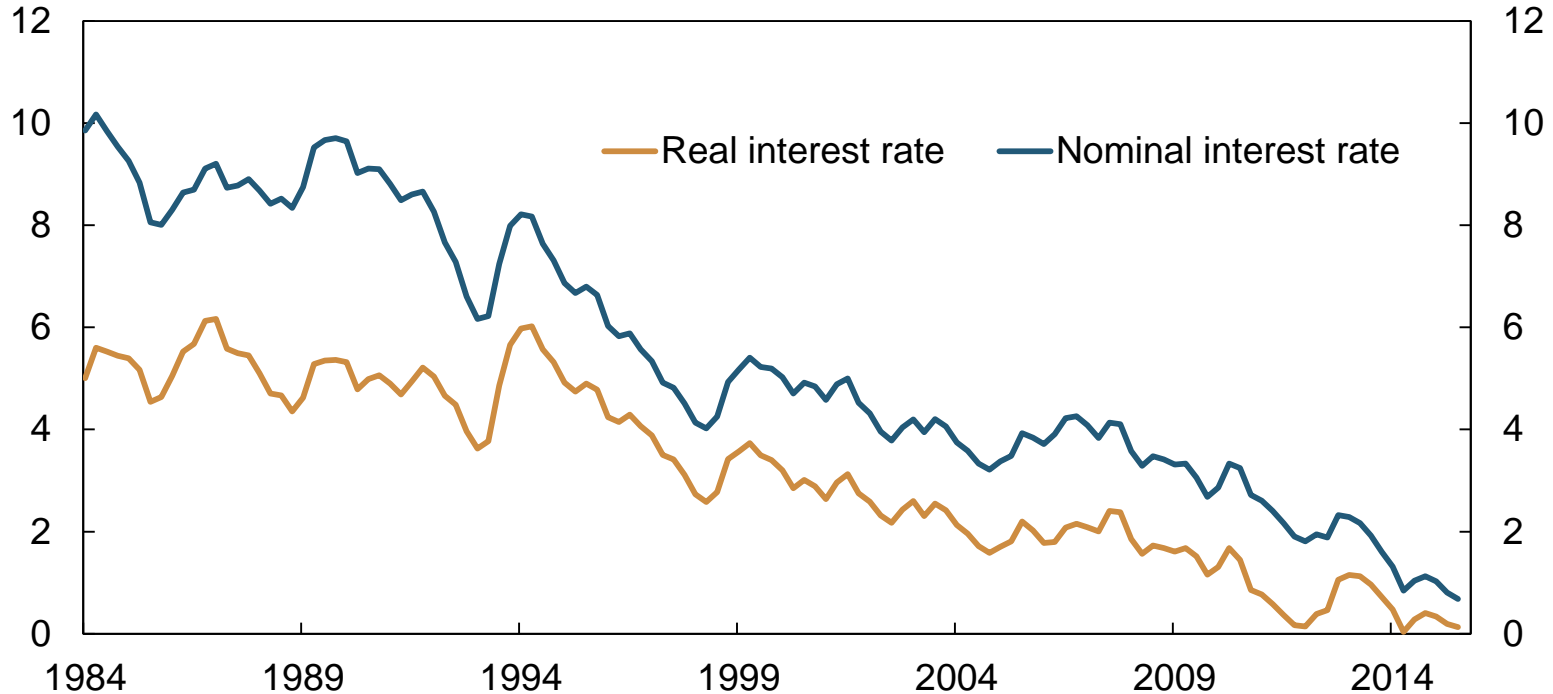


Unemployment. Percent



International interest rates

Long-term interest rates. 14 OECD countries¹⁾. Percent



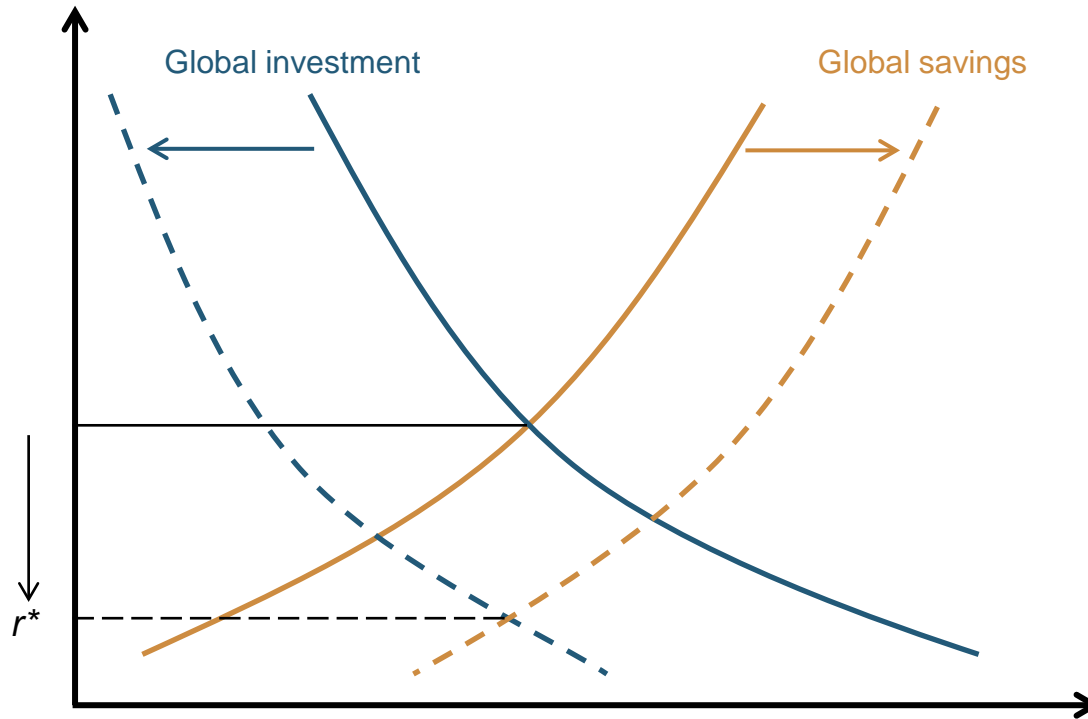
1) US, Germany, France, Italy, UK, Japan, Netherlands, Austria, Belgium, Sweden, Denmark, Canada, Switzerland and Norway. Unweighted average.

Source: OECD



Forces driving the fall in the global real interest rate

Global real interest rate



Increased savings in emerging economies and oil-producing countries

Demographic trends

Greater income inequality

Deleveraging

Lower growth prospects

Relative price of capital

Public investment

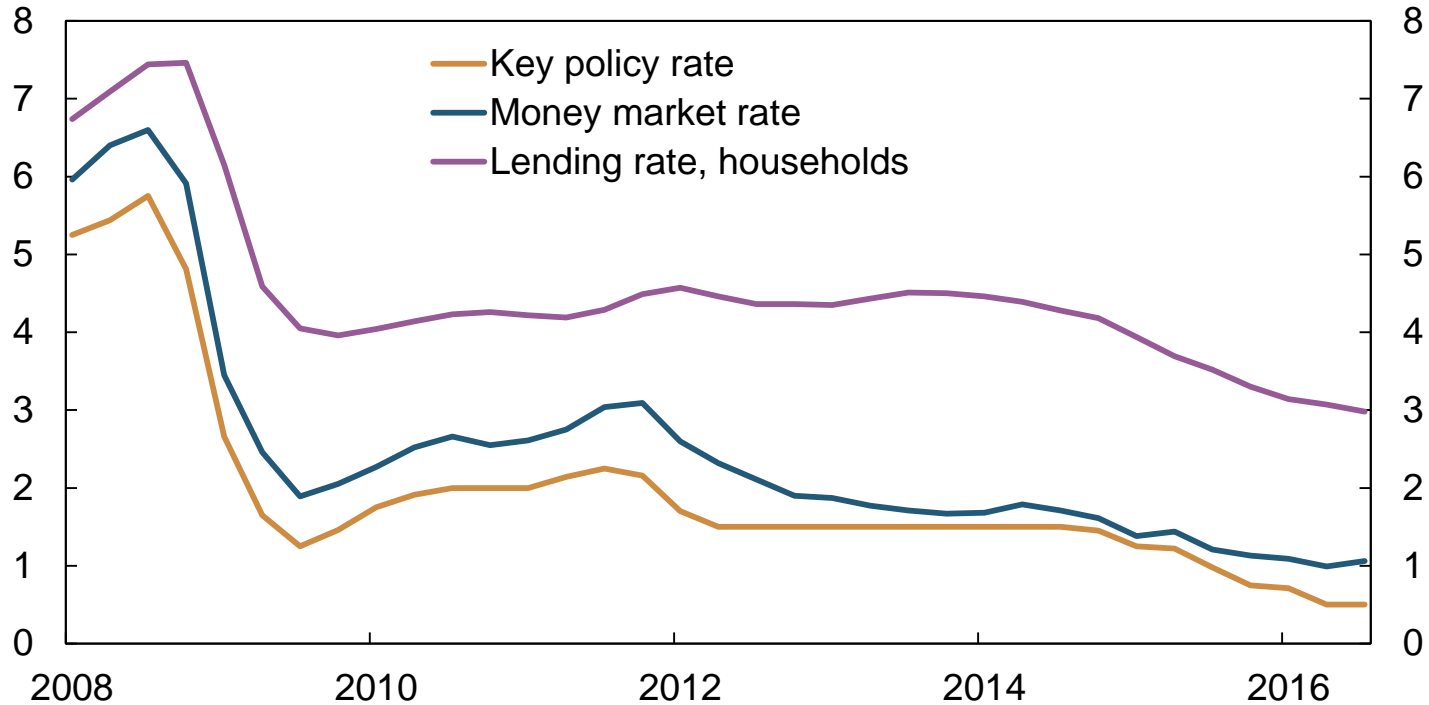
Persistent uncertainty

Global savings and investment



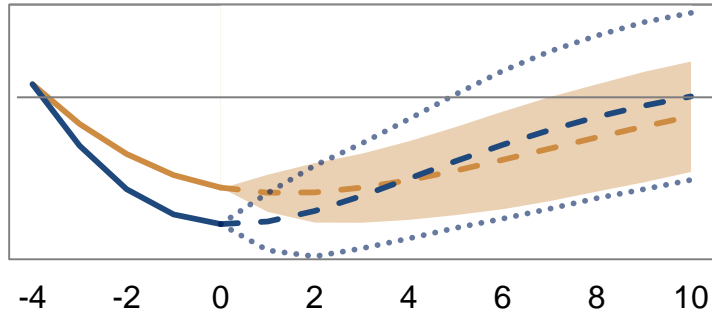
Norway: Interest rates

Percent

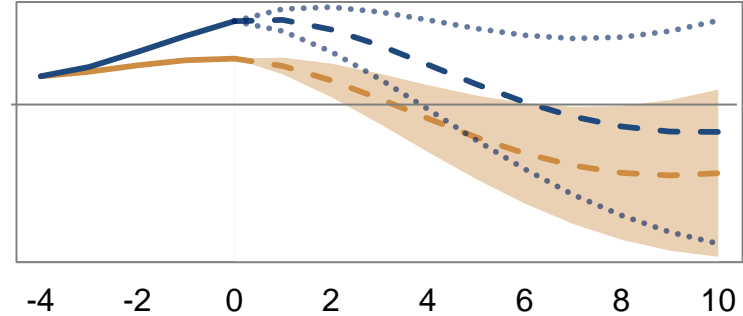


Monetary policy and uncertainty

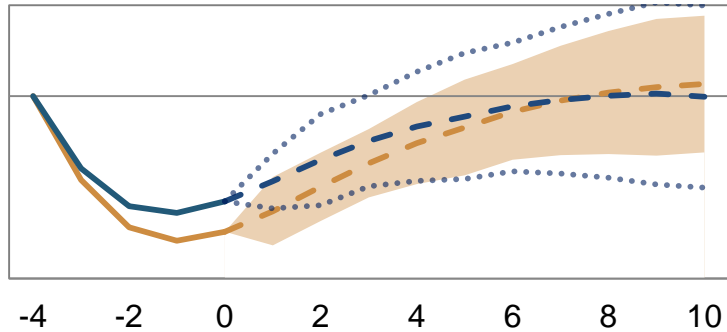
Policy rate



Inflation

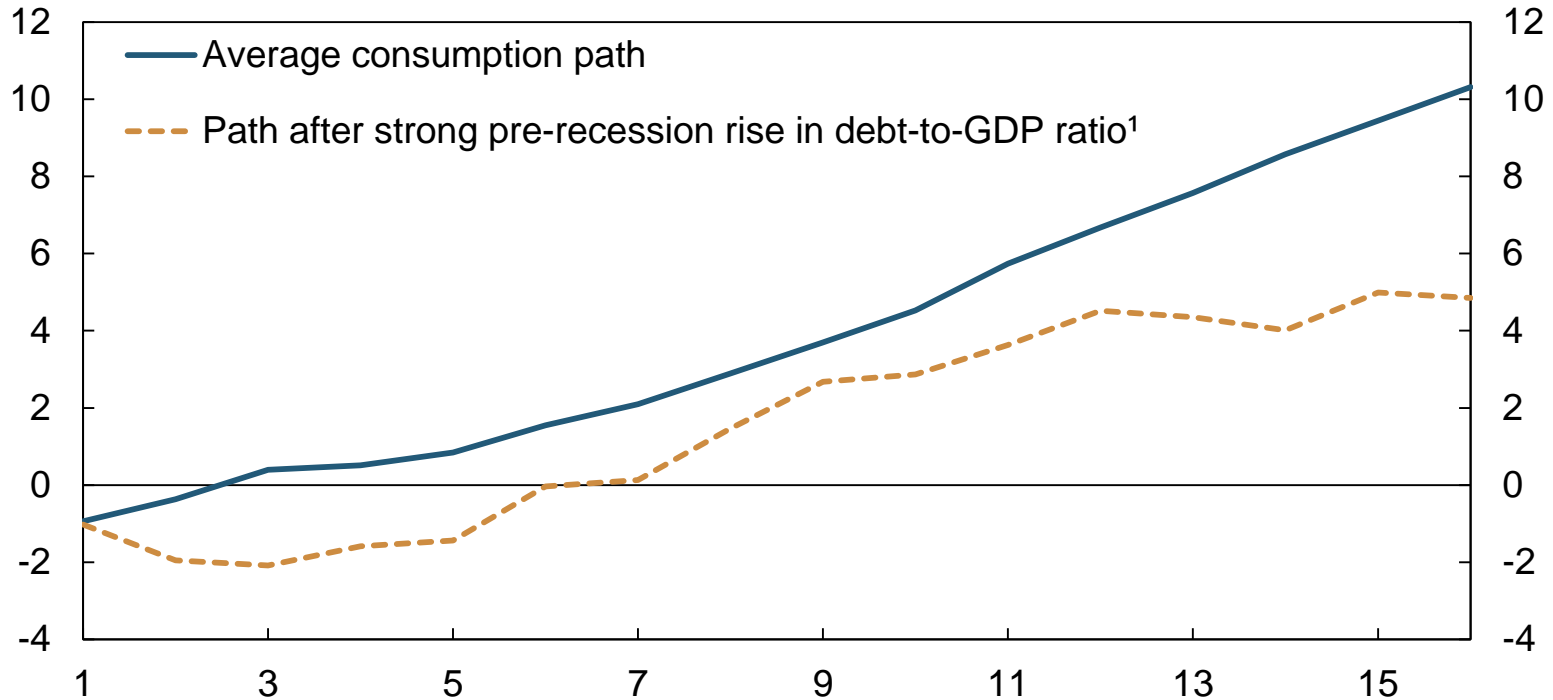


Output gap



Estimated path for consumption during recessions

Number of quarters from start of recession. Percent



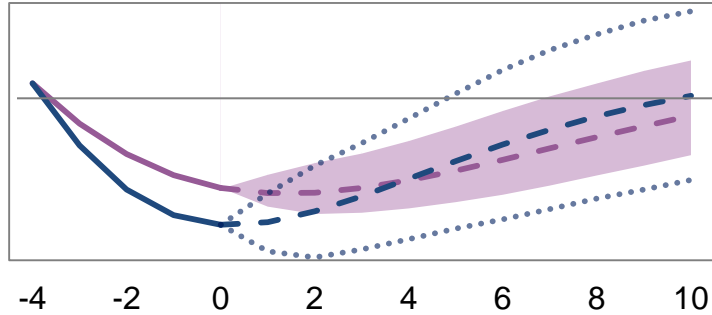
1) Strong growth is defined as a rise of more than one standard deviation above the average. The rise is the average rise in the five years preceding the start of the recession.

Sources: BIS, Federal Reserve Bank of Dallas, OECD, Statistics Norway and Norges Bank

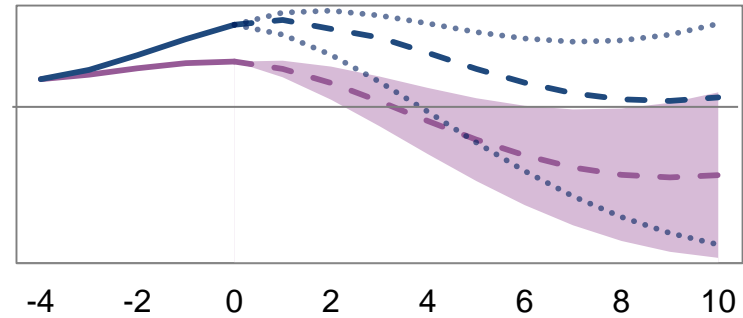


Monetary policy and financial stability

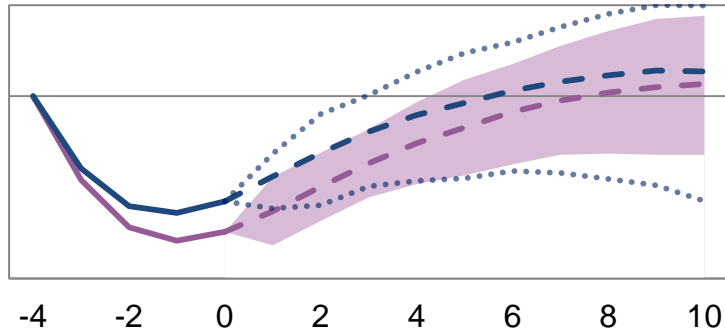
Policy rate



Inflation



Output gap





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