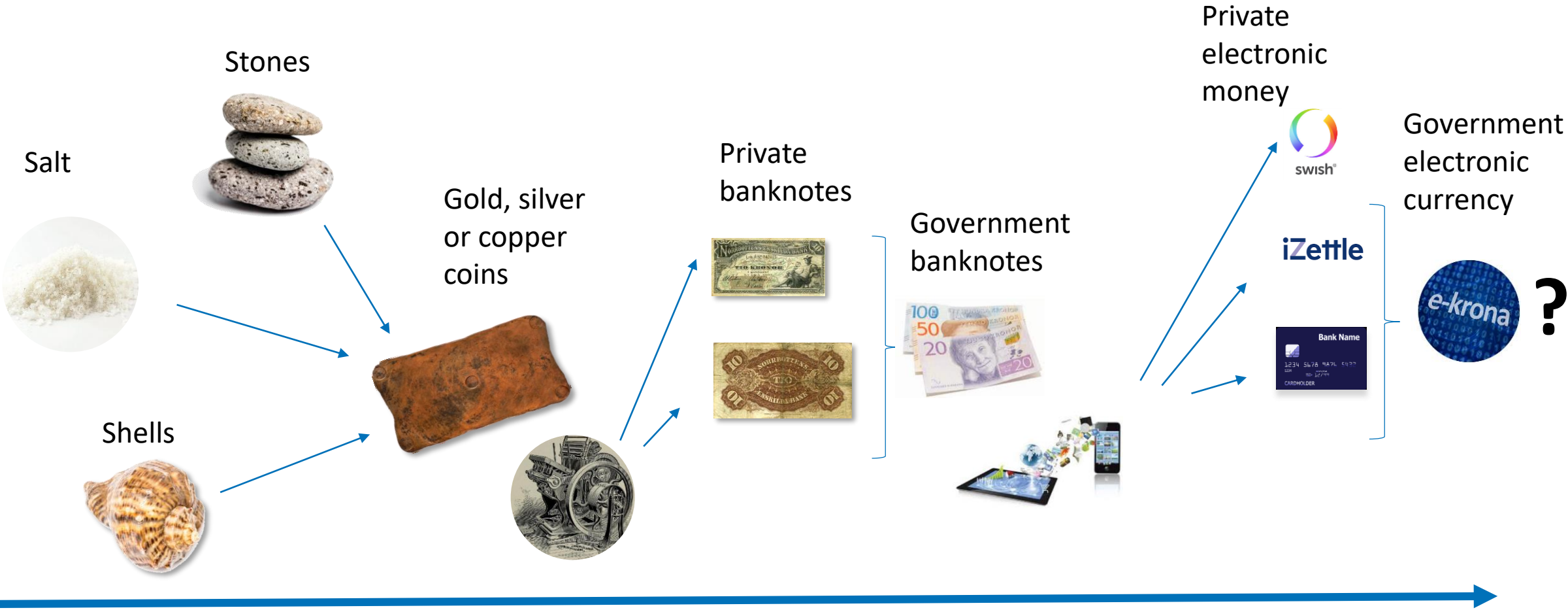


Money, payments and digitalisation

Joint ECB – NBB/BNB conference:
Crossing the chasm to the retail
payments of tomorrow
(27 November 2019)

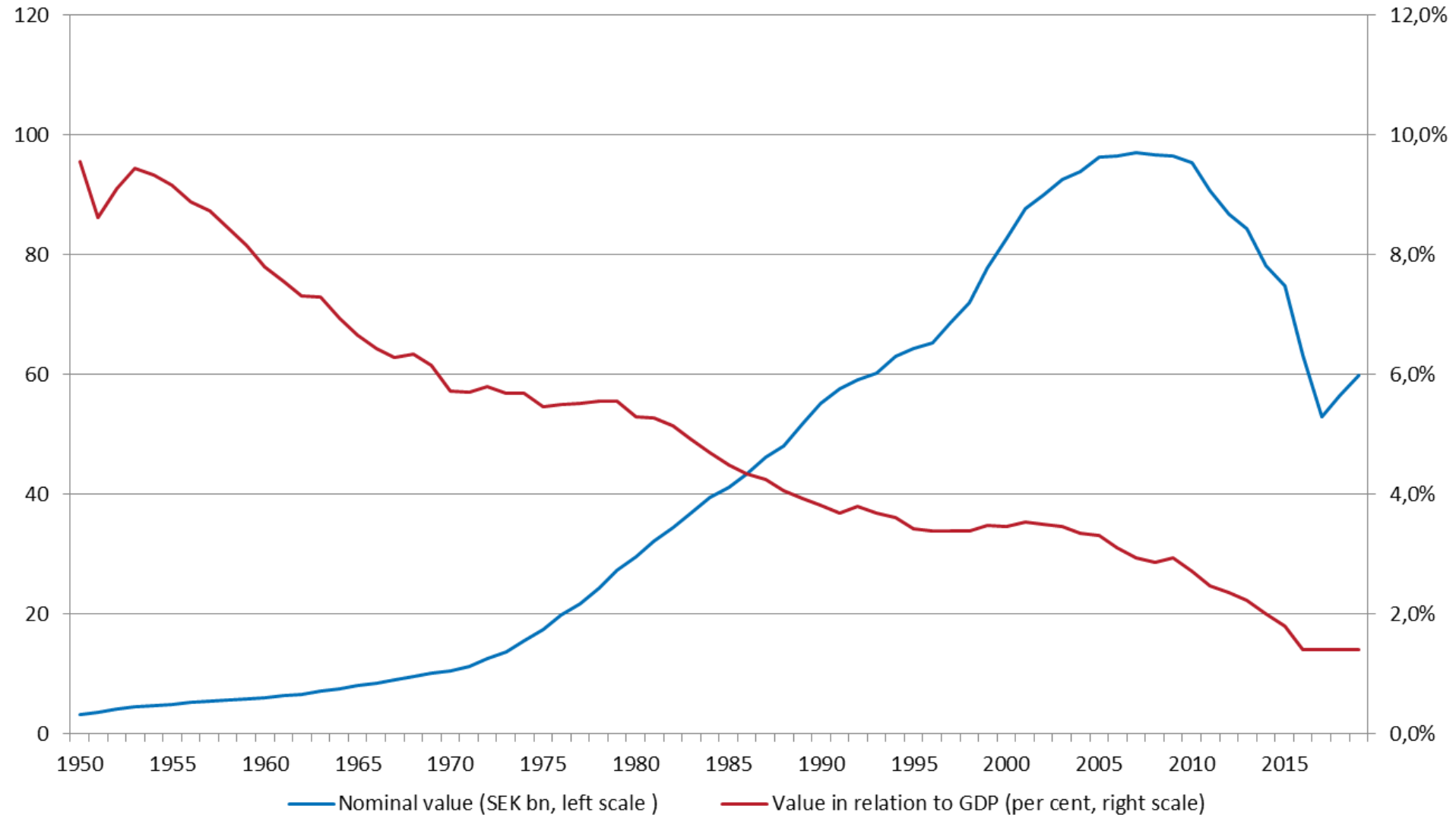
Cecilia Skingsley
First Deputy Governor of the
Riksbank

Money has been adjusted to technology and needs throughout history

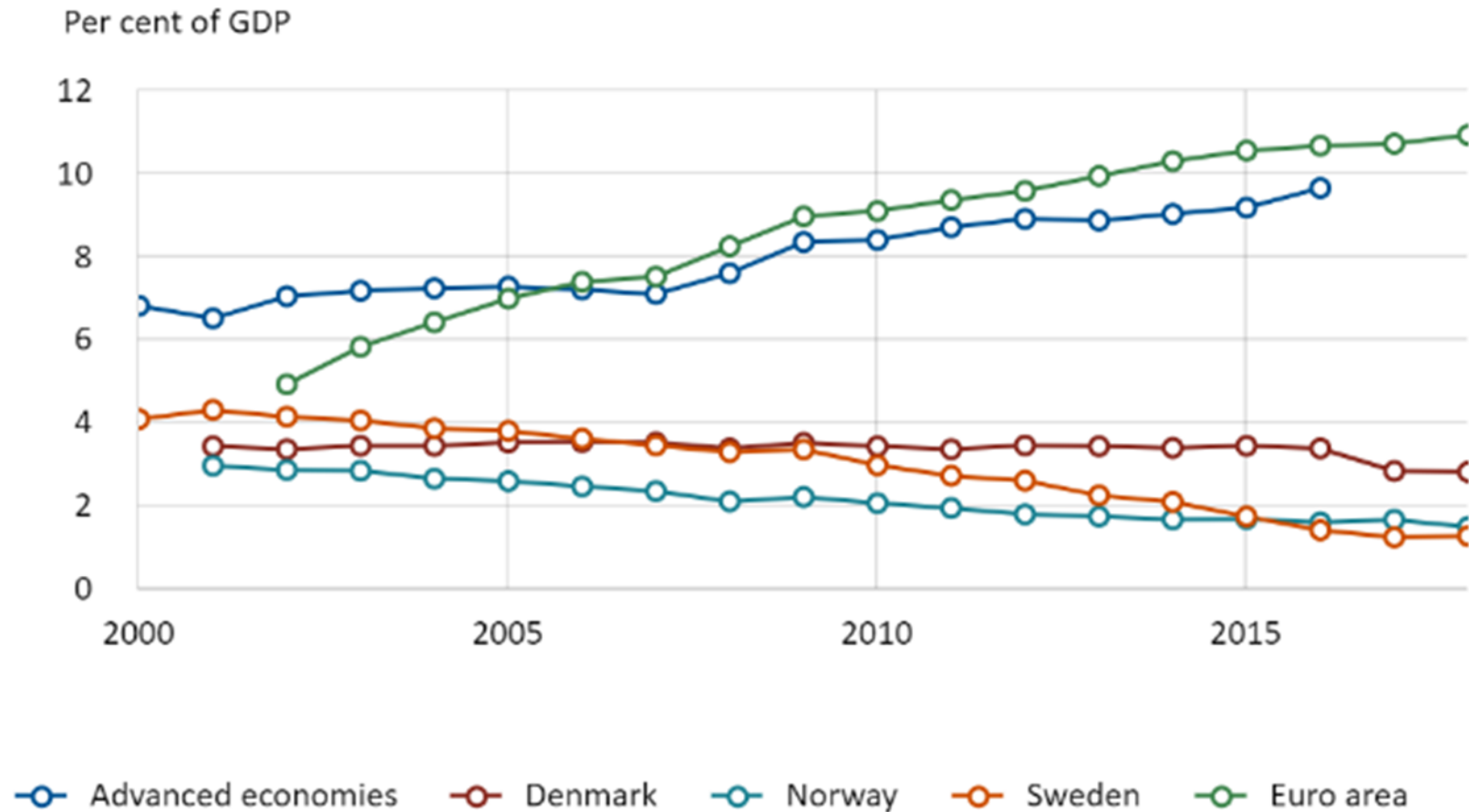


Cash use declining in Sweden

Cash in circulation. Nominal value and percentage of GDP

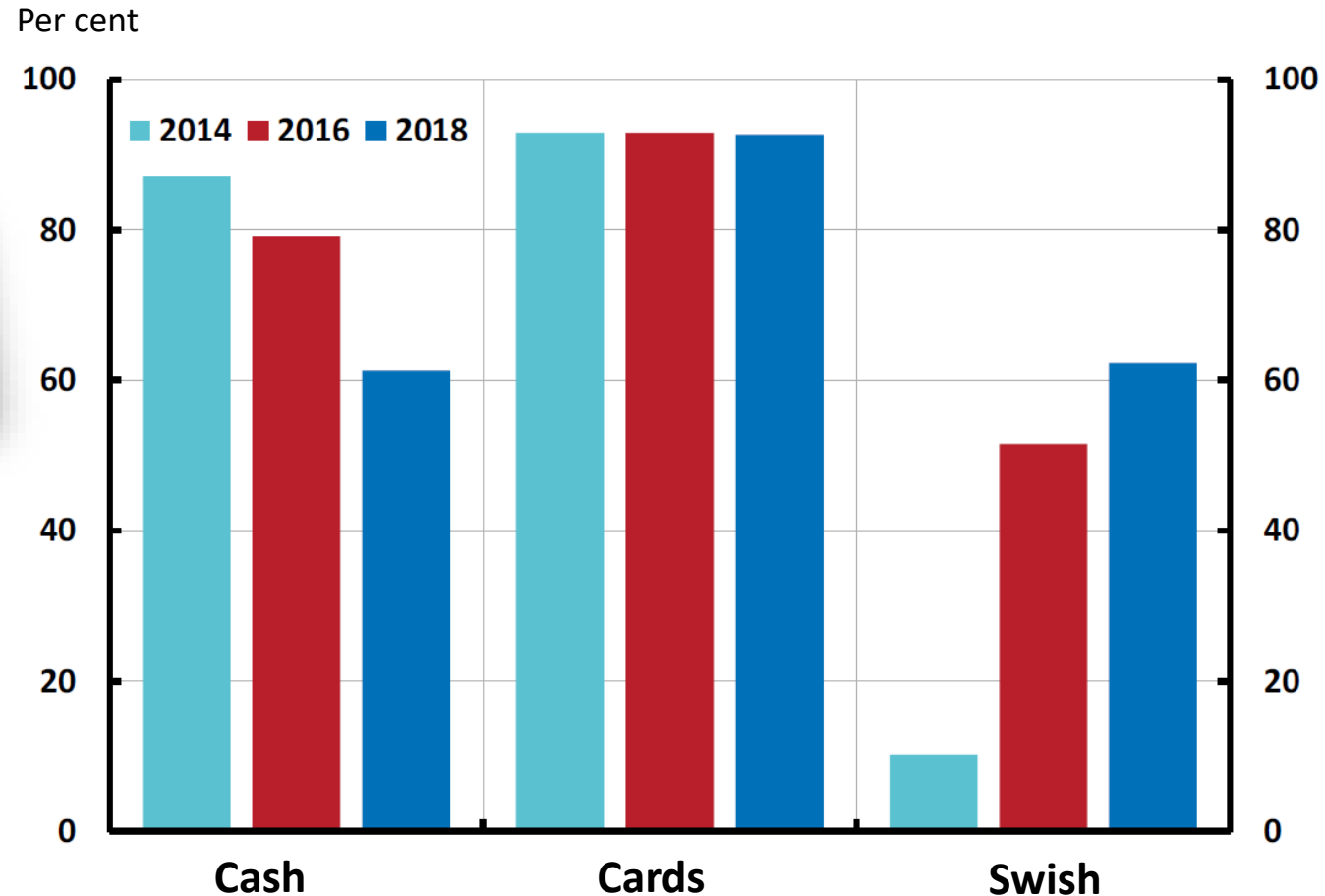


Sweden and Nordic countries stand out



Source: The Riksbank and Bech et al. (2018)

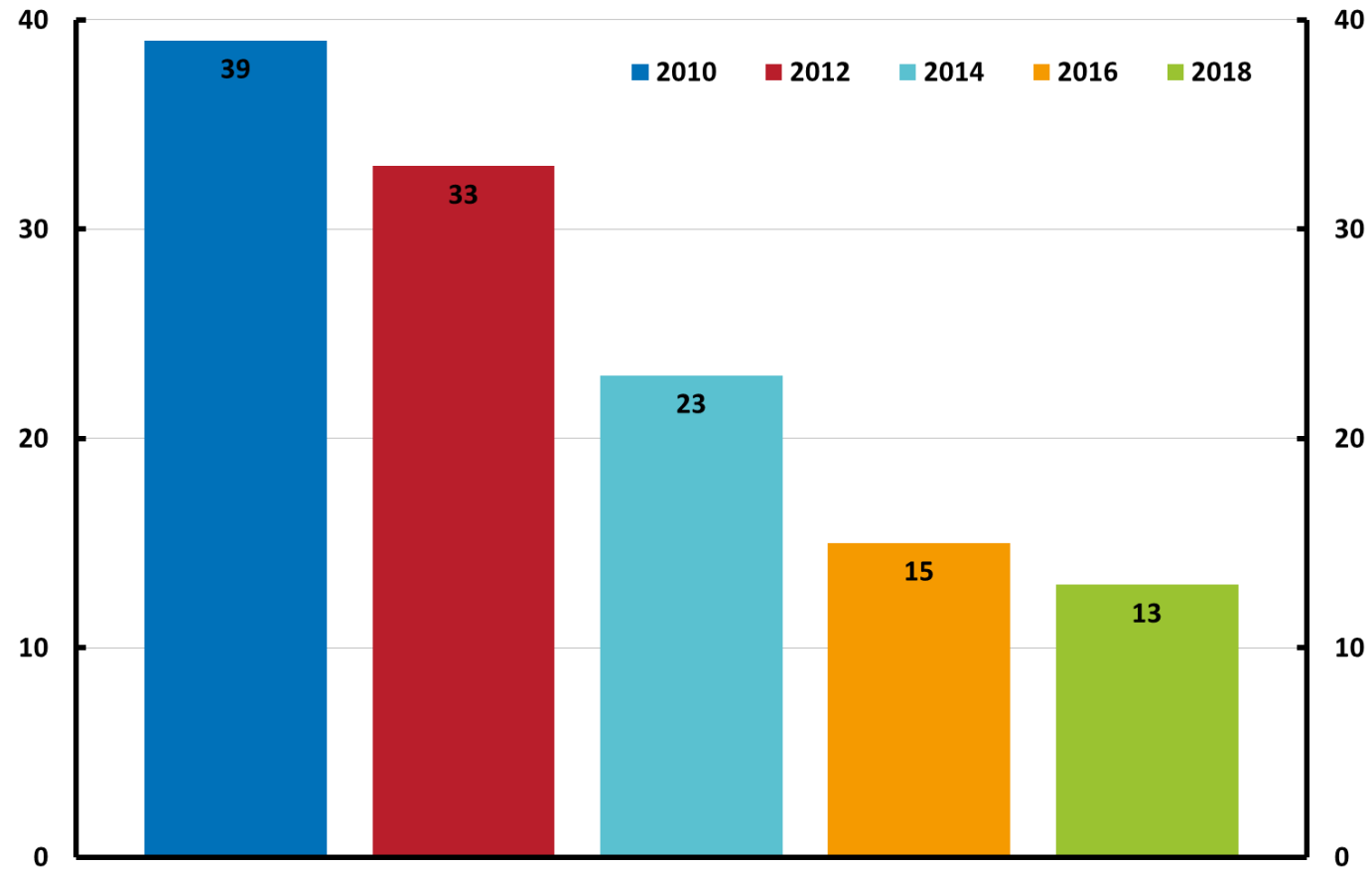
Digital payment methods continuing to increase



Answer to question: "Which means of payment have you used in the past month?"

Source: The Riksbank

Fewer and fewer people are paying in cash



Note. Percentage who paid for their most recent purchase in cash

Source: The Riksbank

We consume and interact digitally

- Cross-border
 - 24/7
 - Payments expected to be instant
 - Different currencies used parallel with one another
 - On the horizon: BigTech money?
-
- What does this mean for the monetary system?

Riksbank money is physical and commercial bank money is digital



The state's role on the payment market

- What role should the state play in the future payment market and monetary system?
- What task should the Riksbank have?
- What tools should the Riksbank have?
- Submission sent to the Riksdag.



The role of the Riksbank

- Price stability
 - Financial stability
 - Coins and banknotes
 - Payment system (RIX)
-
- Should be possible to use Swedish money in Sweden



The Riksbank's future?

- The Riksbank's overall task and roles will remain the same
- The ways we work may need to change
- Our tools may be changed or supplemented



Money: e-krona



Analysis



Pilot

Cash should remain in circulation



Vulnerability

Availability

Competition

Domestic payments: Safer settlement through extended RIX

- RIX-INST: settlement of instant payments in central bank money 24/365



Cross-border payments: Still expensive and slow



Construct a general system for cross-border payments?

- Cooperation between central banks or some other way?
- Link existing systems or build a new central system?
- Can the Nordic and Baltic countries lead the way?



My vision for the future of money and payments

There must be...

- Enough physical banknotes in case the electronic systems break down
- Possibilities to pay in SEK, with central bank money, 24/365
- An e-krona issued by the Riksbank that is legal tender
- Opportunity to make instant payments between currencies 24/365

