

Erik Thedéen: Vulnerabilities and resilience in a new world order

Keynote address by Mr Erik Thedéen, Governor of the Sveriges Riksbank, at the Hanaholmen conference "The old world order is cancelled: investments for competitiveness and security", Stockholm, 20 April 2026.

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Thank you very much Hanaholmen for the invitation to come here and the opportunity to share my thoughts on the need for cooperation, both between companies and public authorities as well as between countries, to create security, resilience and competitiveness.

We are living in an uncertain and turbulent international situation. Russia's full scale invasion of Ukraine, which has been ongoing since 2022, is causing not only human suffering, but also negative economic consequences and contributes to increased insecurity. The global security situation has been further aggravated by the conflicts in the Middle East that escalated in 2026. Developments in the world around us and the global security situation entail new and heightened economic risks, for instance through tariffs, the disruption or disappearance of supply chains and increasingly volatile prices for inputs such as oil.

The threats and risks facing our Nordic, Baltic and other European countries are complex and characterised by great unpredictability. In addition to economic and financial risks, there are also operational risks. This means that we need to work hard and act strategically to ensure that our societies are resilient to disruptions, interruptions and crises.

To meet these challenges, we need strong fundamentals, such as a stable economy. In this context, Sweden is well equipped. Inflation is back on target and the Swedish national debt is low. This means we can act decisively when our society and economy face new threats and risks. But it also requires that we have companies that are resourceful and innovative. Our small economies in the Nordics and Baltics will also need to work closely with one another and with other like-minded countries.

Since the 2008 financial crisis, extensive measures have been taken to strengthen the resilience of the financial system. Financial markets in the Nordic and Baltic countries are tightly integrated. The Nordic-Baltic region has clearly interconnected banking systems and thus common interests in terms of financial stability. Companies such as Nordea, SEB, Swedbank, DNB, Danske Bank, Nasdaq and Euroclear provide critical financial services in several Nordic or Baltic countries. Since the financial crisis of 2008, cooperation to strengthen financial crisis preparedness in the Nordic-Baltic region has deepened, including through exchanges of experience and joint exercises, with two major financial crisis exercises organised in 2019 and 2024.

The ongoing conflicts around the world show a clear need for operational preparedness to have the ability to prevent and manage operational risks. We are witnessing that different parts of the civilian infrastructure, such as data centres, can become targets for physical attacks that risk disrupting critical societal functions. The Riksbank, like many other central banks and other actors, is conducting intensive preparedness work and I

would particularly like to emphasise the cooperation between the Riksbank and the National Bank of Ukraine, where we have learnt valuable lessons and heard about the experience of conducting central bank operations in wartime.

During periods of greater geopolitical stability, investment in security has sometimes taken a back seat to other priorities. Building resilience and provide security for our societies in this uncertain and complex environment highlights the need for investment, prioritisation and close cooperation. In a rapidly changing world, our vulnerabilities become more visible – not least where we are dependent on others. This places completely new demands on how we prioritise. Without sufficient investment in our own infrastructure with our own innovations, we risk losing competitiveness, which in turn can make us more dependent on others and thus more vulnerable. Nordic cooperation will be key here.

Earlier I mentioned critical societal functions, and it is important that these function even when society is put to the test. One such function is payments. We need to be able to pay to shop at the supermarket or buy medicine at the pharmacy, and governments and businesses also need access to secure and efficient payments. Since 2023, the Riksbank has been responsible for ensuring that payments can be made in times of peacetime crises, states of heightened alert and war. We are now working intensively with the companies concerned, as are our Nordic neighbours, to increase the resilience of payments systems in various ways.

Let me illustrate this with a few examples.

Sweden, Finland and the other Nordic countries are among the most digitalised countries in the world, and this is also reflected in how we pay. In Sweden, digital payments are the most common and cash usage is low. For example, we use cards linked to international card networks for around 90 per cent of all transactions in physical retail trade. Only 5 per cent of Swedes paid with cash for their last in store purchase, and the situation is similar in the other Nordic countries.

Countries in the Nordic region rely heavily on a few international companies, such as Visa and Mastercard for our cards, and this works well in everyday life. But if one day it does not work, I want to use this example to illustrate how important it is that Swedish, Nordic and European companies also continue to develop payment solutions – this is necessary for payments to work even in the event of disruptions or if partnerships fail.

Given the uncertainty of the world around us, it is of the utmost importance that we work to ensure that payments work in both crisis and war. From 1 July 2026, we will therefore ensure that it is possible to make offline card payments in Sweden for essential goods, under the leadership of the Riksbank and together with a broad circle of market participants. Together with the companies concerned, the Riksbank has also started an important investigation into whether it is possible to make offline payments using the Swish instant mobile payment service. By having alternative payment methods to fall back on in the event of disruptions, we increase the redundancy of the payments system. If several digital payment methods can also work offline, we will have come a long way in strengthening payment preparedness in society.

Despite their infrequent use, the Riksbank also considers it important to preserve and strengthen the position of cash, not least for contingency reasons. In Sweden, the Government has now proposed that staffed grocery stores and pharmacies will be required to accept cash from 1 July 2026. The Riksbank welcomes this.

In parallel with the operational measures we are taking here and now, we need to strengthen the protection of critical payment infrastructure. The conflicts around the world show that digital infrastructure is vulnerable not only to cyber attacks but also to physical attacks that can disrupt critical societal functions, including payments. The Riksbank believes that we must strengthen our autonomy by promoting innovation, competition and the development of payment services based on Nordic and European infrastructure. This requires strategic prioritisation.

Everything I have mentioned requires that all actors operating in the financial markets, both public and private, prioritise and make the necessary efforts. Securing payments and other critical societal functions is an investment in our own security and our children's future. To succeed, we need to work operationally, here and now, with concrete common solutions. But we also need to think and act strategically and keep looking ahead. A key part of this will be to further develop our cooperation within the Nordic region and within Europe, where we can both learn from one another and work together.

We at the Riksbank already have close bilateral contacts on preparedness issues with our Nordic neighbours, where we often find that we are working on the same issues and facing similar challenges. In the new and more uncertain world order that is taking shape, cooperation between our countries is more important than ever.

As central banks, we need to take responsibility and be active and proactive in our areas of responsibility, such as ensuring the functioning of payments in times of crisis and war. This can facilitate other cooperation between our Nordic policy makers and within the business community. Without the conditions for competition and innovation, without cooperation between our companies, authorities and countries, we risk falling behind in development, making us vulnerable. Together we will be stronger and well placed to ensure that our societies function even when they are put to the test.

Thank you.