

July 14, 2023

Bank of Japan

Approach to Conducting the Monetary Policy Review from a Broad Perspective

The Bank of Japan will conduct the review of monetary policy from a broad perspective, as follows.¹

1. Approach to Analyses in the Review

In the monetary policy review, the Bank will assess the effects of various unconventional monetary policy measures that have been implemented over the past 25 years in the context of interactions with developments in economic activity and prices at each point in time. In addition, it will analyze the impact of these measures on financial markets and the financial system, including their side effects.

The Bank will also deepen its understanding on the background to the effects of these measures, including (1) how various changes in the economic environment since the 1990s -- for example, the globalization of the economy and the declining and aging population in Japan -- have affected factors such as corporate and household behavior and the formation mechanisms of wages and prices and (2) the implications that the effects of these changes have had for monetary policy.

The Bank will flexibly consider more specific themes of the analyses during the course of the review.

2. Approach to Exchanging Views and Other Initiatives for the Review

In proceeding with the monetary policy review, the Bank will incorporate diverse expertise and take various initiatives with a view to enhancing the review's objectivity and transparency. Such initiatives include not only internal analyses but also those listed below, such as exchanging views.

(1) Make use of existing series of materials, such as reports and surveys

- The Bank will make use of the series of materials, such as the *Regional Economic Report*, the *Opinion Survey on the General Public's Views and Behavior*, and the *Bond Market Survey*.

¹ See the Bank's Statement on Monetary Policy released on April 28, 2023.

- The Bank will also make use of the research functions of its branches and local offices while holding interviews with firms at its Head Office.
- The Bank will invite public comment concerning its documents released during the review.

(2) Exchange views on occasions such as meetings with local and business leaders

(3) Hold discussions, such as at workshops

- The first workshop is scheduled to be held around December 2023. Topics of discussion will include monetary policy, the financial system, and financial markets.
 - Around the same time, at the 10th conference to be co-hosted by the University of Tokyo's Center for Advanced Research in Finance (CARF) and the Bank's Research and Statistics Department, discussions will cover topics including the effects on prices of changes in the global economic environment while taking into account the perspectives of the Bank's monetary policy review.
- The second workshop is scheduled to be held around May 2024. Topics analyzed by then in the review will be discussed comprehensively.
 - Around the same time, at the 2024 BOJ-IMES Conference to be hosted by the Bank's Institute for Monetary and Economic Studies, the Bank is considering creating the opportunity for discussion with foreign experts regarding its monetary policy review.

(4) Exchange views with foreign experts

3. Launch of a Webpage on the Review

The Bank has launched a page on its website on the monetary policy review, which is available at the following URL.

<https://www.boj.or.jp/en/mopo/outline/bpreview/index.htm>

Information on the review will be provided as needed on this webpage.

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