

March 22, 2024

Bank of Japan

## **Performance Review of *Medium-Term Strategic Plan (Fiscal 2019-2023)***

### **I. Introduction**

The Bank of Japan formulated and released the *Medium-Term Strategic Plan (Fiscal 2019-2023)* in March 2019, and has pursued its strategic objectives accordingly. With the current five-year period ending in March 2024, this document summarizes the Bank's accomplishments under the plan in light of major changes in its external environment during the period.

### **II. The External Environment and the Bank's Responses**

The COVID-19 pandemic, which was unforeseeable when the plan was initially formulated, has significantly influenced economic and social activities during the period of its implementation.

In response to the pandemic, from 2020, the Bank was committed to maintaining the provision of essential central banking services while implementing necessary measures in terms of its policies and business operations, as well as organizational management. This was done to ensure the stability of people's daily lives and economic activities as a designated public institution under the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response.

In addition, among the developments in the Bank's external environment envisaged at the time the plan was formulated, some have been especially notable in terms of the speed of the changes involved and their impact on central bank policies and operations. Specifically, these are effects of advances in information technology and increased awareness of the Sustainable Development Goals (SDGs).

In this regard, central banks have taken various measures to address major challenges, including Central Bank Digital Currency (CBDC) and climate change, albeit differing in

degree by country, in response to mounting interest and anticipation of their actions. Under these circumstances, the Bank clarified its stance regarding these challenges by releasing related guidelines, and it has made steady progress in implementing them.

The Bank has steadily carried out the strategic objectives stated in the plan while addressing various changes in its external environment. The specific measures and progress in implementing these for each fiscal year from 2019 to 2023 are made public in the *Annual Review* for the relevant fiscal year.

### **III. Looking Forward to Fiscal 2024-2028**

In addition to the external environmental issues outlined in Section II above, the environment for central bank policies and operations has seen substantial changes since the COVID-19 pandemic. These include the global shift in economic and financial conditions away from a low-inflation, low-interest rate environment and the notable effects of severe natural disasters in Japan.

With the Bank's external environment subject to greater uncertainties as have been noted, it has faced broader and more complex challenges to its policies and business operations. The Bank today released the *Medium-Term Strategic Plan (Fiscal 2024-2028)*, which commits to appropriately addressing these challenges. It will steadily implement necessary measures under the new plan.