

April 30, 2010

Bank of Japan

## Statement on Monetary Policy

1. At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan decided, by a unanimous vote,<sup>1</sup> to set the following guideline for money market operations for the intermeeting period:

The Bank of Japan will encourage the uncollateralized overnight call rate to remain at around 0.1 percent.

2. At the Meeting, Policy Board members examined the *Outlook for Economic Activity and Prices*. Based on the recognition that Japan's economy faces the critical challenge of overcoming deflation and returning to a sustainable growth path with price stability, it was confirmed at the Meeting that, in the conduct of monetary policy, the Bank would aim to maintain the extremely accommodative financial environment. It was also confirmed that it would be necessary to strengthen the foundations for economic growth given the current economic conditions in Japan. Based on this recognition, members shared the view that it was necessary for the Bank to make new efforts to contribute to strengthening the foundations for economic growth.

In light of these discussions, the Chairman has instructed the staff to examine and report on another occasion, on possible ways to support private financial institutions in terms of fund provisioning with a view to strengthening the foundations for economic growth.

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<sup>1</sup> Voting for the action: Mr. M. Shirakawa, Mr. H. Yamaguchi, Mr. K. G. Nishimura, Ms. M. Suda, Mr. T. Noda, Mr. S. Nakamura, Mr. H. Kamezaki, and Mr. R. Miyao. Voting against the action: None.

(Reference)

Meeting hours:

April 30: 9:00-13:13

Policy Board members present:

Masaaki Shirakawa (Governor)

Hirohide Yamaguchi (Deputy Governor)

Kiyohiko G. Nishimura (Deputy Governor)

Miyako Suda

Tadao Noda

Seiji Nakamura

Hidetoshi Kamezaki

Ryuzo Miyao

(Others present)

From the Ministry of Finance:

Yoshihiko Noda, Senior Vice Minister of Finance (9:00-12:48,12:52-13:13)

From the Cabinet Office:

Keisuke Tsumura, Parliamentary Vice-Minister (9:00-12:48,12:52-13:13)

Release of the minutes:

8:50 on Wednesday, May 26