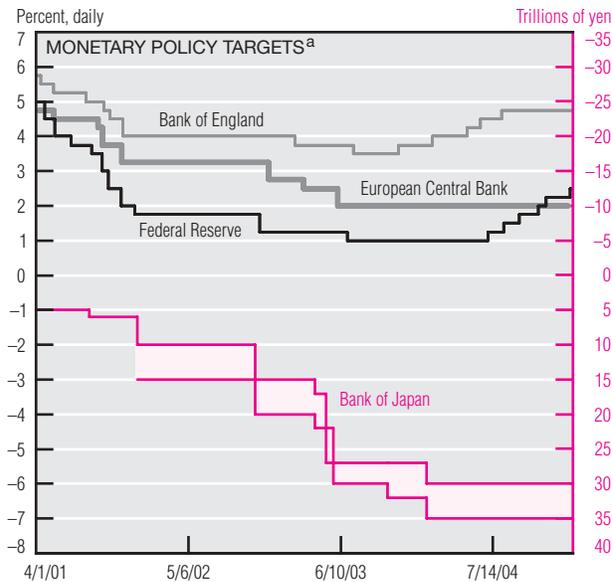


Foreign Central Banks



Minutes of Monetary Policy Meetings

United States: Minutes of scheduled meetings released three weeks after the policy decision.

European Union: No minutes.

United Kingdom: Minutes of meetings released on the second Wednesday after the policy decision.

Japan: Minutes approved at the first or second meeting, held about one month after the meeting concerned and released after approval.

Frequency of Monetary Policy Meetings

United States: Eight regularly scheduled Federal Open Market Committee meetings during a year, at intervals of six to eight weeks.

European Union: Twelve regularly scheduled Governing Council meetings during a year, normally on the first Thursday of each month.

United Kingdom: Twelve regularly scheduled meetings during a year, normally the Wednesday and Thursday following the first Monday of each month.

Japan: "In principle," 24 monetary policy meetings during a year. Typically, meetings are held monthly on a schedule announced at the end of each quarter for the following six months.

Other Releases

United States: Press release announcing the policy decision immediately after the meeting. No press conference. Meeting transcripts published with a five-year lag.

European Union: Press conference immediately after the meeting. Press conference transcripts published on the EU website a few hours later. No press release. Meeting transcripts not yet published.

United Kingdom: Press release announcing the policy decision immediately after the meeting. No press conference or meeting transcripts.

Japan: Same-day press release of policy decision. Press conference for a policy change. Meeting transcripts published with a 10-year lag.

a. Federal Reserve: overnight interbank rate. Bank of Japan: a quantity of current account balances (since December 19, 2001, a range of quantity of current account balances). Bank of England and European Central Bank: repo rate.

SOURCES: Board of Governors of the Federal Reserve System; Bank of England; Bank of Japan; and European Central Bank.

On February 2, the Federal Reserve's Federal Open Market Committee again raised its target for the overnight interbank (federal funds) rate by 25 basis points, bringing the target to 2.50%. The Bank of England and the European Central Bank have not changed their target repurchase agreement rates recently, and the Bank of Japan continues to maintain its ¥30–¥35 trillion target for the supply of its current account balance liabilities.

The current theory of monetary policy entails transparency of operations. Markets can operate more efficiently if the public understands the policy objective, knows how the central bank calibrates its policy instrument to achieve that objective, and believes that the central bank is credible—that is, that it will do what it says it will. Policy actions usually can be detected quickly by expert money market analysts, but immediate announcement of an action ensures that even those who are not active market

participants have up-to-date information. Public understanding of the policy process is enhanced by timely release of detailed information about policy deliberations. The Federal Open Market Committee recently accelerated the release of its minutes from just after the next meeting to before the next meeting. While the European Central Bank does not publish minutes, its governor holds a press conference immediately after each meeting to characterize the deliberations and respond to questions.