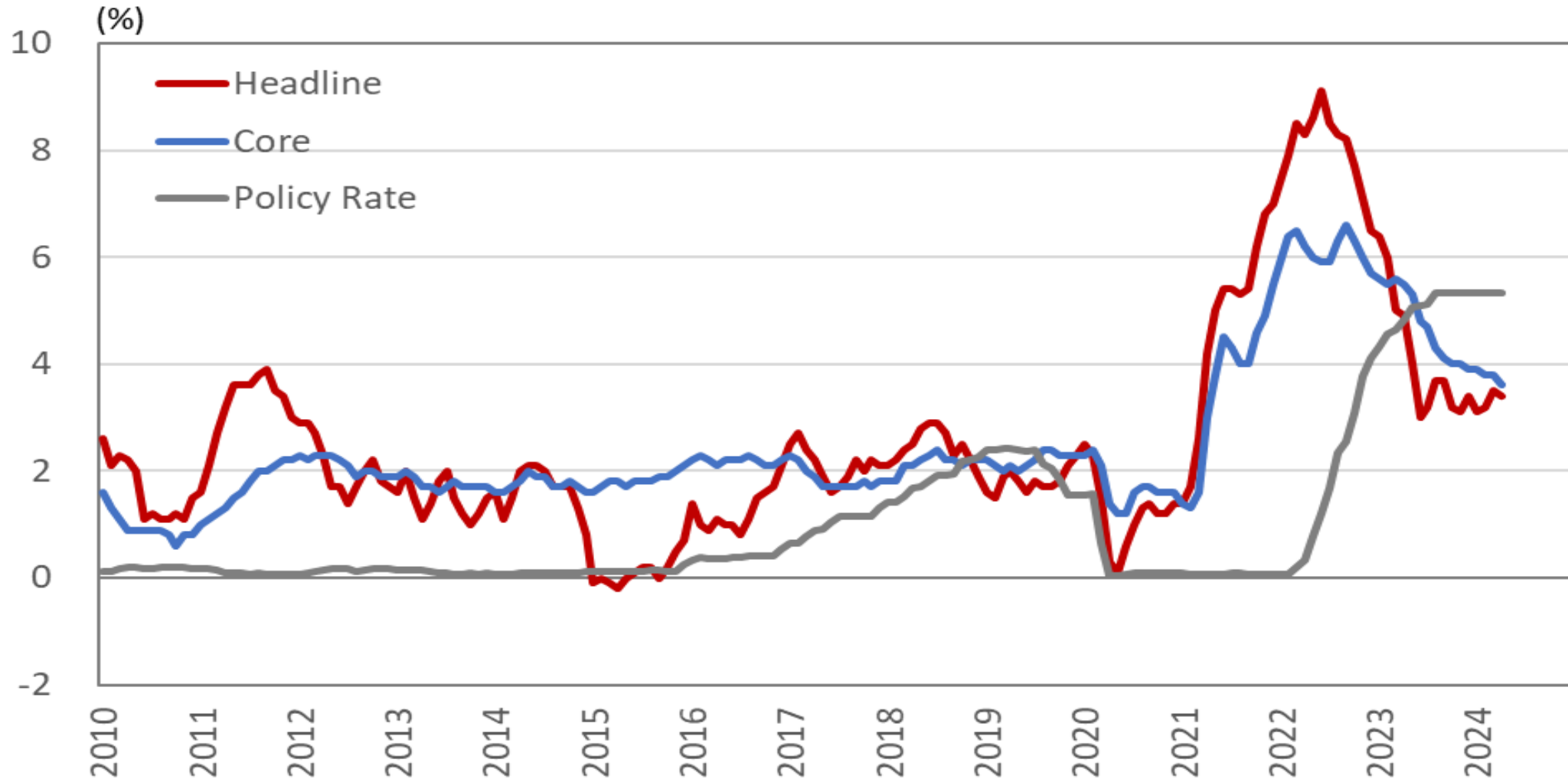


Introduction to Panel 1 of CJEB Tokyo Conference

Takatoshi Ito

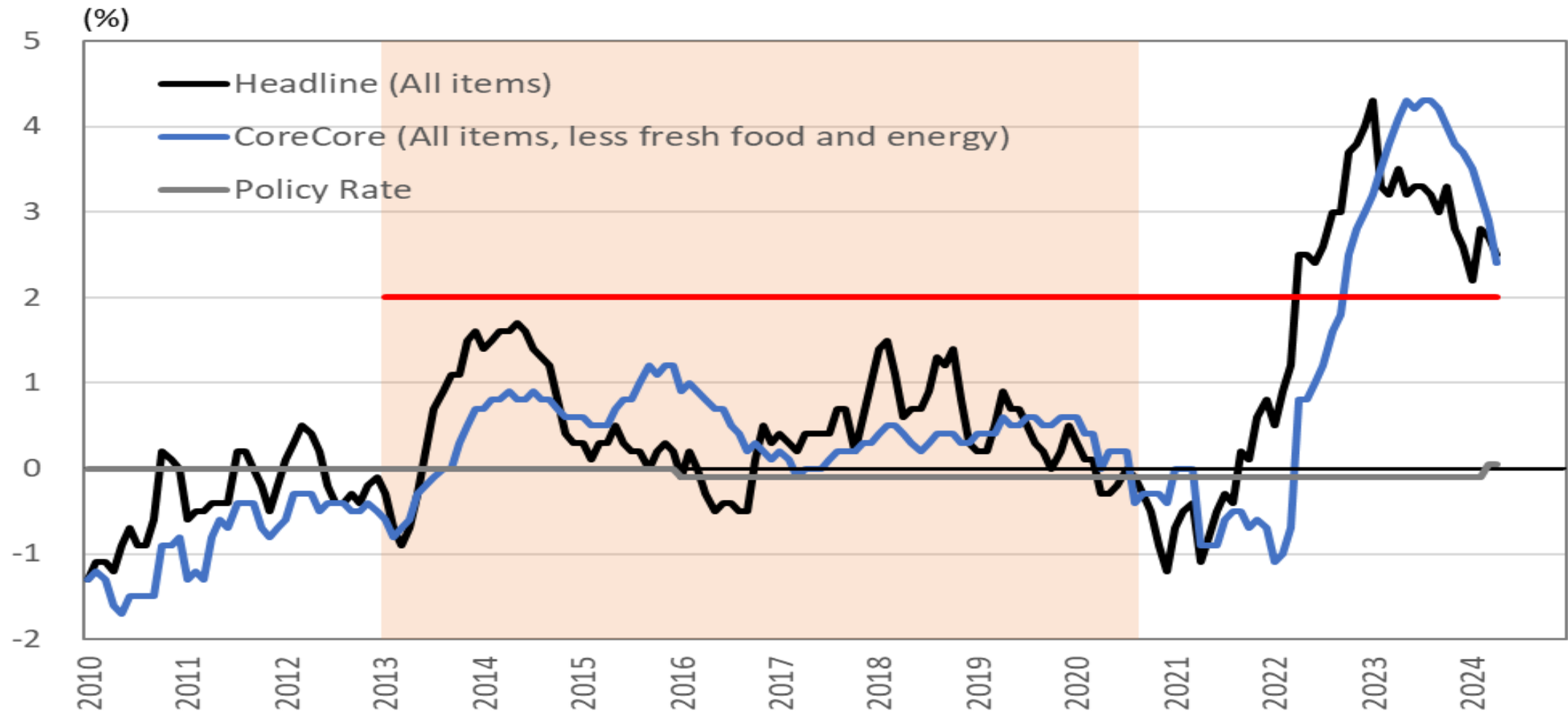
- Japan
 - Why did deflation and zero/negative wage increases persist for so long in Japan?;
 - What were the benefits and possible side effects of QQE and YCC (2013-2023)?
 - Is the cost-push inflation and yen depreciation since 2022 an opportunity for "normalization"?
 - What are the challenges to the Bank of Japan in transitioning to normalization?
 - Is the Bank of Japan behind the curve, allowing the inflation rate to rise above the 2% target and the yen to depreciate sharply (bad yen depreciation)?
- United States
 - Was the FRB behind the curve, allowing the inflation rate to rise to 8%?
 - Why did the inflation rate come down so quickly? Credit to inflation targeting?
 - Are QT and the policy rate hike two independent polity tools?

US: Inflation rates and Policy rate



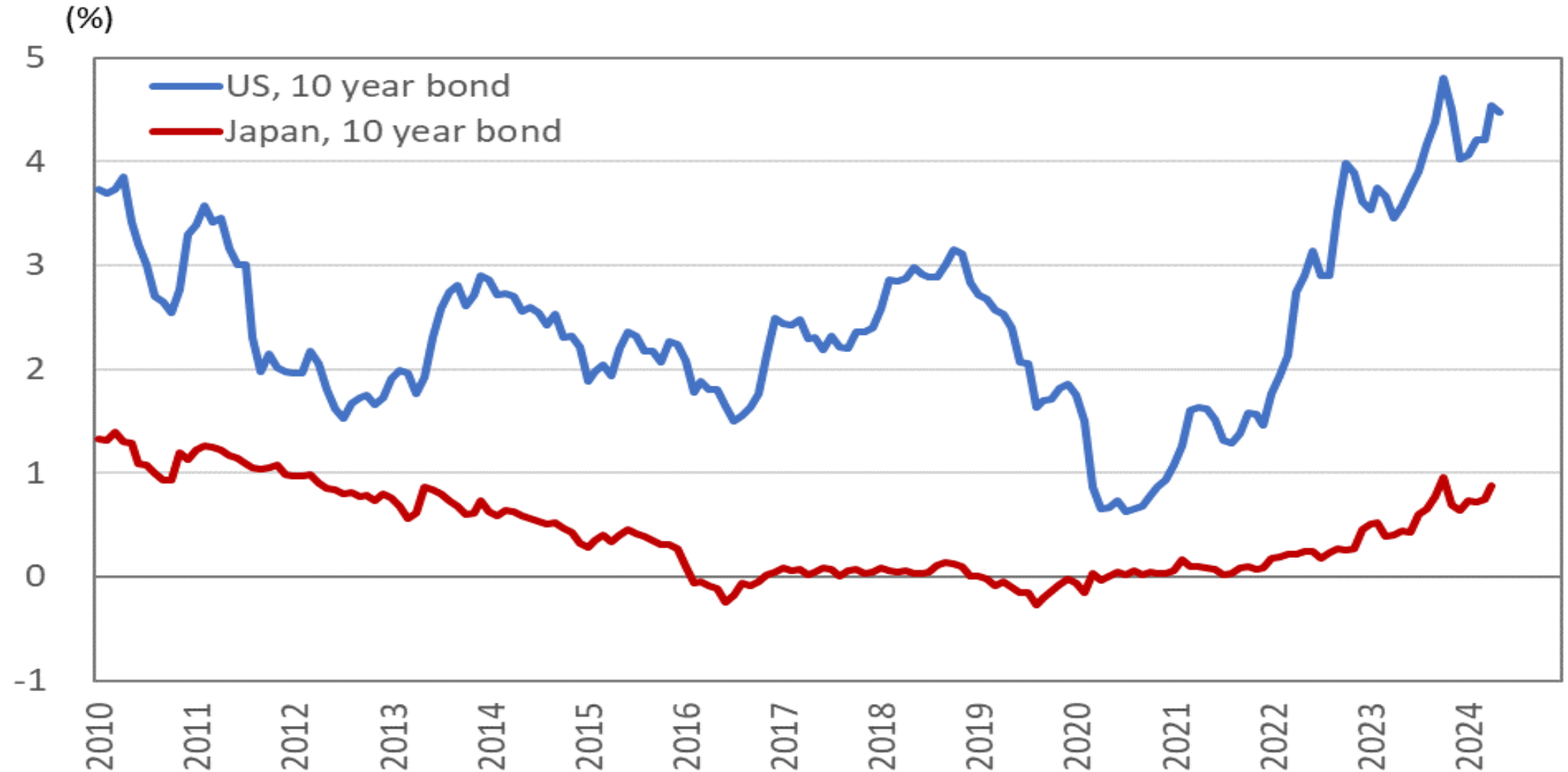
Source: Bureau of Labor Statistics and FRED St. Louis

Japan: Inflation rates and Policy rate



Source: Statistics Bureau, Ministry of Internal Affairs and Communications

US and Japan: 10-year bond rate



Source: FRED St. Louis and Ministry of Finance, Japan