



External Relations Department

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SBP introduces advance calendar of Monetary Policy Committee meetings to enhance predictability and transparency

Taking another step towards making the process of monetary policy formulation more predictable and transparent, the State Bank of Pakistan (SBP) has decided to begin announcing a half-yearly schedule of Monetary Policy Committee (MPC) meetings on a rolling basis. In this regard, the dates for the next four meetings are envisaged as follows:

1. May MPC meeting: Friday, 28th May 2021
2. July MPC meeting: Tuesday, 27th July 2021
3. September MPC meeting: Monday, 20th September 2021
4. November MPC meeting: Friday, 26th November 2021

It is pertinent to mention that a minimum of 6 MPC meetings are scheduled every year. In addition, the MPC can convene emergency meetings during the intervening period, if required.

In taking this step, SBP is following international best practices. To manage expectations of economic agents, many central banks across the globe release the schedule of Monetary Policy Committee meetings in advance. This practice is consistent with the objective of reducing uncertainty around monetary policy decision making.

Clear communication helps to make central banks more transparent, and thereby contributes to enhancing their accountability. Central bank communication and transparency are also key for effective transmission of monetary policy decisions. In this context, SBP has over the years been seeking to modernize and increase transparency in the monetary policy making process, in line with international best practices. Some of these initiatives are laid out below:

- In 2005, SBP began releasing Monetary Policy Statements.
- In 2009, it was decided to hold at least 6 meetings on monetary policy, envisaged to take place in the calendar months of January, March, May, July, September and November. It was also decided to hold a press conference to announce the monetary policy decision in the months of January and July, to supplement the Monetary Policy Statement.
- In 2015, after the introduction of an independent Monetary Policy Committee through an amendment in the SBP Act, two major changes were introduced to increase transparency. First, SBP started publishing minutes of the MPC meetings on its website. Second, the voting pattern of the MPC members was also made public.
- In 2020, to make monetary policy communication more effective, SBP enhanced interactions with analysts, the media, various business forums, academics, and investors through regular briefing sessions with its senior management.
- In January 2021, in light of the extreme uncertainty caused by the Covid pandemic, the MPC decided to provide forward guidance on monetary policy for the first time to facilitate policy predictability and decision-making by economic agents.



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Looking forward, SBP remains committed to continue modernizing its communication in line with international best practices and evolving domestic circumstances.
