



## PRESS RELEASE



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### **Bank of Canada Governor reviews key developments of last year**

**WINNIPEG, Manitoba, January 28 2002** — In a speech to The Canadian Club of Winnipeg, Bank of Canada Governor David Dodge today looked back on some of the challenges during his first year in office.

The Governor highlighted the global slowdown as the major economic challenge of the past year. But he said that there were also key changes within the Bank of Canada related to the implementation of monetary policy. In particular, he spoke of the success of the Bank's new system of eight fixed dates per year for announcing interest rate decisions. He also set out in detail the process that leads to those decisions.

Not only has this new system improved the workings of financial markets and led to better public commentary, but it has made an important contribution to the Bank's communication with Canadians, noted the Governor. The Bank now issues a press release on each of the eight fixed dates, in addition to its quarterly reports on monetary policy and speeches by senior bank officials.

The goal of all this communication is "to provide a regular, ongoing account of our views," said Mr. Dodge. "In doing so, we hope to contribute to greater public awareness and discussion of both economic developments in Canada and the role of monetary policy."

With respect to the economic outlook, he said that the Bank continues to expect that economic growth will be between 1 and 2 per cent in the first half of this year. Growth should accelerate to a range of 3 to 4 per cent in the second half.

The Governor also repeated remarks he made last week that the depreciation of the Canadian dollar over the last couple of weeks is not helpful for our economy, nor does it appear to reflect recent positive economic developments in Canada.

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