

QUALITATIVE RESEARCH ON THE *MONETARY POLICY REPORT*: SURVEYS—INTERNATIONAL USERS

Complementing the focus groups and telephone interviews conducted by Ipsos Reid on the use of the MPR by domestic target audiences, the Bank concurrently polled (via an email survey) a representative sample of key international watchers of the MPR.¹ This group included senior officials at major central banks and international financial institutions such as the IMF and the OECD.

Comments from these users closely mirrored those of participants in the main study.

Why do survey participants read the *Monetary Policy Report*?

Central bank officials follow the MPR to inform their own quarterly projections of the Canadian economy, to compare thinking on central banking issues, and to keep abreast of innovation in layout and design. Officials at international financial institutions read the MPR in support of their surveillance activities and to better understand Canadian economic trends, the Bank's monetary policy actions, and the forces shaping its projections and assessment of risks. They also draw on the technical boxes of the MPR to motivate their own research on the Canadian economy.

How users access and read the MPR (its *Summary* and the *Update*)

The majority of these users access the electronic version of the documents.

All respondents read the MPR and the *Update* regularly, but very few read the *Summary*. Most of them focus on key sections of the MPR: recent developments in the Canadian economy, the outlook, and the risks to the projection.

Most respondents view the MPR and the *Update* as equally important, while recognizing the richer analytical content of the full Report. The idea of four MPRs was thus generally appealing and readily endorsed.

Overall assessment

The consensus among survey participants is that the MPR is an essential, professional, and fact-based document. It is relevant, clear, focused, and easy to read.

Overall, like domestic users of the MPR, international readers did not recommend dramatic changes. That being said, respondents had a number of suggestions for improvements, similar to those in the main study.

¹ The questionnaire for this survey is included in the Appendix to this note. The same questionnaire formed the basis for the questions that Ipsos asked participants in the focus groups and the telephone interviews.

Focusing on the analysis

The content and analysis of the MPR were generally highly rated.

Most users said that the analysis is pitched at the right level (given the diversity of MPR audiences) and that it meets their needs, but it could be a bit more technical.

However, representatives of more expert audiences, while recognizing the good overall quality of the analysis, said that the content was not sufficiently technical for them. Specifically, they were asking for more forecast detail (e.g., on demand components and main price indexes—probably in an appendix), forecasting-errors, more risk analysis, and more discussion of the internal policy debate. An annex table with the latest economic indicators would also be useful, they said.

Technical boxes, with their deeper analysis of issues relevant to the outlook, are well liked. They are seen as enriching the analysis. While clearly of special interest to expert users, practically all readers are looking for more technical boxes with deeper content.

Focus on the April MPR: what’s good, what’s still missing, what to cut back

Many respondents said that the revamped April MPR is an improvement: the changes helped them to understand the underlying story better.

Layout and Design

Changes in the layout and design of the April MPR were seen to be an improvement with respect to readability and presentation.

The charts are generally easier to read, pleasing to the eye, and the story lines accompanying them are helpful. However, some participants said that graphics printed in black and white are not easy to read: the different lines are hard to distinguish. In addition, it was pointed out that the publication might benefit from better integration of the charts with the relevant text—keeping them both on the same page.

As in the main study, there were suggestions to add a statlink providing the data behind the graphs.

Content

The Annex (“Framework for Conducting Monetary policy at Low Interest rates”) was well appreciated by most. A couple of participants, who thought that the Annex could have been more “fulsome,” also recognized that it would have been difficult for the Bank to be more specific at the time

The conditional statement on interest rates was widely praised as effective. Naturally, there were suggestions that the Bank consider publishing an interest rate path regularly in the future.

The fan charts on inflation were welcome across the board and clearly whetted the appetite for similar charts around other projection variables such as GDP.

The charts on financial conditions were also broadly noticed and well liked.

It was suggested that the MPR could provide a bit more analysis of financial developments and risks, borrowing from the Bank's *Financial System Review*.

On the other hand, a couple of participants thought that the section on the global economy could be shortened and that the discussion of the Canadian economy could be better integrated with global economic developments.

Appendix

Bank of Canada Survey Questionnaire on the MPR

1. **How frequently** do you (or your subordinates) read the *MPR* and *MPRU*?
 - once every quarter_____
 - more often (please specify)_____

2. **How** do you typically read the MPR?
 - from cover to cover_____
 - just the Summary_____
 - key sections_____

3. **In what form** do you usually access these publications?
 - print_____
 - electronic_____

4. **Do you keep** or **access** back issues of the Reports for reference purposes?
 Yes_____ No_____

5. **Do you distinguish between the MPR and the MPRU**—that is, is one more relevant for you than the other? Please explain. (Please also mention any relevant differences between these two publications in your answers to the following questions.)

6. **For what purpose** do you read the Reports?

7. **Does the Bank's assessment** of current economic trends and the outlook feed into your decision-making or meet your specific needs? If so, how?

8. **How would you characterize** the quality of the analysis and the quality of the writing in the Reports (eg. relevant, clear, too technical)?

9. **What do you think of the presentation** of material in the Reports—for example, the boxes and graphics? Note that the graphics in the April 2009 *MPR* have been redesigned and new ones have been added. Are they effective, easy to read?

10. **Is the Bank's current approach to explaining** the economic outlook and monetary policy actions sufficiently informative for your needs? Yes_____ No_____ If not, what additional supporting information should be included?

11. The format of the April *MPR* was changed to help address the unusual circumstances of conducting monetary policy at the effective lower bound of interest rates. ***What is your reaction to the new version of the MPR?***

12. The Bank is considering publishing four *MPRs* a year, instead of two *MPRs* and two *MPRUs*. ***For your own purposes, what would be an appropriate length for the MPR?***

What material could be dropped without much loss, from your point of view?

What material do you think we should continue to include?

What material is missing?

16. ***Are you familiar with similar publications*** from other central banks?

Yes ___ No ___ If yes, are there specific features of these publications, in terms of content and presentation, that you find particularly effective? Please elaborate.

17. **Do you have any other comments or suggestions?**