

Japan brings era of negative interest rates to an end with first hike in 17 years

Hong KongCNN —

Japan has ended its negative interest rate policy, marking a historic shift away from an aggressive monetary easing program that was implemented years ago to fight chronic deflation.

As part of the decision, the Bank of Japan (BOJ) raised interest rates for the first time in 17 years, lifting its short-term rate to “around zero to 0.1%” from minus 0.1%, according to a statement posted on its website on Tuesday.

The BOJ has battled deflation and economic stagnation since the late 1990s. Over the years, it has sought to encourage prices to rise by using a combination of conventional and unconventional monetary policies, including zero or negative interest rates and large-scale asset purchases.

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