



BANK OF THAILAND

BOT Press Release

Communications and Relations Office, Corporate Communications Department
Tel. 0-2283-5016-7 Fax. 0-2281-5648 www.bot.or.th

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Monetary Policy Committee's Decision on 22 January 2014

Mr. Prasarn Trairatvorakul, Chairman of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 22 January 2014 as follows.

The global economy continued to recover since the last meeting. G3 economies showed signs of gradual improvement, led by the US economy which expanded on the back of stronger domestic demand. The Chinese economy expanded steadily, while exports of Asian economies, particularly in North Asia, began to recover at a gradual pace.

The Thai economy in the fourth quarter of 2013 is expected to grow less than previously assessed as a result of soft domestic demand, leading to lower-than-expected growth for 2013. The ongoing political situation continued to dent private confidence, weighing on overall outlook for growth. Exports expanded at a subdued pace, despite signs of recovery in some sectors.

The committee deems the current stance of monetary policy to be accommodative and appropriately supportive of economic recovery. The ongoing political situation poses risks to growth, but sound economic fundamentals should help the economy weather these short-term risks. In addition, safeguarding financial stability remains a cornerstone for economic recovery in the period ahead. The MPC thus voted 4 to 3 to maintain the policy rate at 2.25 percent per annum. Three members voted to reduce the policy rate by 0.25 percent to cushion the economy against rising downside risks to growth, given contained inflationary pressure.

The MPC will closely monitor developments of the Thai economy and stand ready to take appropriate actions as warranted.

Bank of Thailand

22 January 2014

For further information, please contact:
Monetary Policy Strategy Team 1 Tel: +66 (0) 2283 6186, 356 7872
email: MonetaryPolicyStrategyTeam1@bot.or.th