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**Monetary Policy Committee's Decision on 3 February 2016**

Mr. Jaturong Jantarangs, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 3 February 2016 as follows.

**The Committee voted unanimously to maintain the policy rate at 1.50 percent.**

Key considerations for policy deliberation are as follows.

In the fourth quarter of 2015, the Thai economy gradually recovered at a pace close to the assessment at the previous meeting, supported by high disbursement of public expenditure, an improving number of tourist arrivals, especially Chinese tourists, and continued expansion in private consumption. The improvement in private consumption expenditure was due partly to a temporary effect of the government's tax rebate measure around the end of last year, as well as accelerated car purchases prior to the increase in vehicle excise tax. Meanwhile, merchandise export value contracted markedly.

Inflationary pressure declined further from the previous meeting due mainly to a sharp and larger-than-expected fall in global oil prices, causing inflationary risks to skew more towards the downside. Nevertheless, headline inflation is projected to rise gradually and likely turn positive during the first half of 2016. Meanwhile, deflationary risks remain contained as demand continues to expand and core inflation is still positive, consistent with medium-term inflation expectations of the public.

Under the Committee's assessment, the Thai economy is projected to expand in 2016 at a rate close to the assessment at the previous meeting, supported mainly by domestic demand. Meanwhile, external risks increased from major trading partners' economies, shifting global trade structure, and low commodity prices. In addition, monetary policy divergence among advanced economies continues to influence capital flows and exchange rate movements.

In deliberating monetary policy, the Committee judged that monetary policy remained accommodative, and the policy space should be preserved, while being mindful of risks to financial stability. Therefore, the policy rate should be kept on hold at this meeting. Nevertheless, the Committee will continue to monitor economic and financial developments closely, and stand ready to utilize an appropriate mix of available policy tools in order to support the economic recovery, while ensuring financial stability.

Bank of Thailand  
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