



BANK OF THAILAND

BOT Press Release

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Monetary Policy Committee's Decision on 6 August 2014

Mr. Paiboon Kittisrikangwan, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 6 August 2014 as follows.

The global economy continued to improve steadily. The US economy grew at a firmer pace from accelerating domestic demand and stronger labour market. The euro area and Japan recovered slowly, entailing continued accommodative monetary policy. Growth in China and Asia stabilized on the back of improving exports to major economies. Some central banks in the region have begun to raise policy interest rates in light of domestic developments.

The Thai economy showed signs of improvements in the second quarter of 2014, from private spending following the political resolution. Exports recovered modestly, while public spending fell slightly short of previous assessment. In the second half of the year, firmer domestic demand and fiscal policy, particularly public investment, should lend further impetus to growth recovery. Exports of goods and tourism are expected to expand at a subdued pace. Inflationary pressure remains contained.

The committee judges that current accommodative monetary policy remains appropriate in supporting economic recovery. The policy stance is deemed consistent with long-term financial stability, which should complement government's reform efforts to lift the economy's potential growth. The committee thus voted unanimously to maintain the policy rate at 2.00 percent per annum.

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6 August 2014

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