



# **BANK OF THAILAND NEWS**

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## **Monetary Policy Committee's Decision on 20 October 2010**

Mr. Paiboon Kittisrikangwan, Assistant Governor, Bank of Thailand, announces the outcome of the Monetary Policy Committee (MPC) meeting today, as follows.

The global economy continued to recover but is expected to slow somewhat in the period ahead. The US and Japanese economies remain fragile due to risks from high unemployment and the sluggish recovery in consumption. The European economies still face the challenge of managing high fiscal deficits next year. Meanwhile, Asian economies continue to grow robustly, driven by consumption and investment.

The Thai economy is expected to grow primarily due to domestic demand. Nevertheless, the risk that decelerated global growth may adversely impact Thai exports remains. Meanwhile, the outlook on inflation pressure remains unchanged.

While the interest rate normalization in Thailand is ongoing, the global economic recovery is now expected to slow in tandem with an increase in uncertainty in the world economy and financial markets compared to the last MPC meeting. The MPC therefore decided to maintain the policy interest rate for the time being at 1.75 per cent per annum.

Bank of Thailand  
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