



BANK OF THAILAND

**BOT Press Release**

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**Monetary Policy Committee's Decision on 5 November 2014**

Mr. Mathee Supapongse, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 5 November 2014 as follows.

The global economic recovery was slightly weaker than expected, with greater growth differentials across regions. The US economy continued to recover steadily, while recovery in the euro area and Japan remained tepid, with risks of a further slowdown. Meanwhile, growth in China and Asia moderated somewhat.

The Thai economy in the third quarter of this year is expected to expand less than previously assessed due to slow recovery in domestic demand, including lower-than-expected public spending, and weak exports. However, exports are expected to gradually pick up in 2015, in tandem with global economic recovery. Additionally, public investment should help stimulate private investment in the periods ahead. Meanwhile, the overall financial system remained stable. Inflation declined owing to lower commodity prices and subdued demand-side pressure.

The committee voted 6 to 1 to maintain the policy rate at 2.00 percent per annum, with one member voting to reduce the policy rate by 0.25 percent per annum. The committee projects sustained economic recovery in 2015, and deems that the current monetary policy is sufficiently accommodative and does not hinder the ongoing recovery. The stance is also consistent with long-term financial stability. Nevertheless, the committee expresses concerns regarding greater downside risks from global growth and the timeliness of public investment spending. One member assessed that further accommodation is needed in order to reinforce the momentum of economic recovery.

The MPC will closely monitor developments of the Thai economy, and will pursue appropriate policy to ensure adequate support to the recovery, as well as long-term financial stability.

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5 November 2014

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