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**Monetary Policy Committee's Decision on 16 December 2015**

Mr. Jaturong Jantarangs, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 16 December 2015 as follows.

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

Key considerations for policy deliberation are as follows.

From the third quarter to October 2015, the Thai economy gradually recovered, supported by high disbursement of public expenditure, an expansion in private consumption of necessity goods, and an improving number of tourist arrivals, especially Chinese tourists. Meanwhile, merchandise exports continued to contract, and going forward would continue to face downside risks from a slowdown in the Chinese and other Asian economies and subdued commodity prices. Nevertheless, the economic growth forecast for 2015 was slightly revised up on the back of continued expansion of consumption and fiscal stimulus measures. The economic growth forecast for 2016 remained close to the previous assessment.

Inflationary pressure declined slightly from the previous meeting due mainly to a fall in global oil prices, causing headline inflation to stay in negative territory. Nevertheless, headline inflation is projected to rise gradually and to turn positive during the first half of next year, as the base effect of high oil prices wanes. 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.

The Committee assessed that monetary conditions and exchange rate remain supportive to the economic recovery. Moreover, given financial stability considerations and a potential rise in financial market volatility due to monetary policy divergence among advanced economies, the policy interest rate should be kept unchanged at this meeting. However, the Committee will continue to closely monitor downside risks to growth, particularly those stemming from a slowing global economy, structural limitations, and uncertainty in the global financial markets.

Looking ahead, monetary policy stance should continue to be sufficiently accommodative. The Committee stands 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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