



**No. 29/2015**

**Monetary Policy Committee's Decision on 10 June 2015**

Mr. Mathee Supapongse, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 10 June 2015 as follows.

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

Key considerations for policy deliberation are as follows.

The Thai economy recovered at a pace close to the assessment at the previous meeting. Economic momentum in the first four months of 2015 softened due to sluggish private consumption and continued contraction in exports, as a result of a slowdown in the Chinese and Asian economies and a shift in global trade structure. Nevertheless, increased disbursement of public investment expenditure and continued improvement in tourism helped shore up the economy. In the periods ahead, the economy is projected to improve gradually, but subject to downside risks from slower-than-expected recovery of the global economy, especially China and other Asian economies.

Headline inflation continued to stay in a negative territory due mainly to energy costs and raw food prices. However, it is expected to pick up in the second half of the year as the base effect of high oil prices begins to wane, coupled with expected rises in oil and raw food prices. Meanwhile, core inflation was still positive but declined somewhat owing to subdued demand-side pressure. Nevertheless, in the Committee's assessment, the risk of deflation remains low, as consumption continues to increase, while the prices of most goods and services still increase or stay unchanged, and inflation expectations are close to the inflation target.

In deliberating monetary policy, the Committee judged that the conduct of monetary policy has thus far eased monetary conditions, while the direction of exchange rate movement has become more conducive to the economic recovery. Nevertheless, the Thai economy remained subject to downside risks, particularly from the global economy. Therefore, monetary policy stance should continue to be accommodative in order to support the economic recovery.

Going forward, the Committee will closely monitor Thailand's economic and financial developments, and stand ready to utilize the available policy space appropriately in order to support the ongoing recovery and maintain long-term financial stability.

Bank of Thailand  
10 June 2015

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