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**Monetary Policy Committee's Decision on 5 August 2015**

Mr. Mathee Supapongse, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 5 August 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 continued to recover gradually in the second quarter, and is expected to maintain the similar pace of recovery during the rest of the year. Nevertheless, downside risks increased from a slowdown in the Chinese economy and the adverse impact of domestic drought. Higher-than-expected improvement in tourism and high investment spending by the government remained the main growth drivers. Meanwhile, private consumption and investment improved at a measured pace. However, exports of goods contracted more than previously assessed due to subdued prices and reduced volume as a result of lower demand from trading partners, especially China and other Asian economies.

Headline inflation continued to stay in the negative territory due mainly to energy costs. However, it is likely to have bottomed out, and is expected to gradually pick up in the second half of the year as the base effect of high oil prices begins to wane. The Committee will continue to closely monitor domestic price development as the period at which headline inflation is expected to turn positive might be delayed as a result of limited demand-side pressure and slower-than-projected global oil price recovery.

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 stayed conducive to the economic recovery. Therefore, the policy interest rate should be kept unchanged at this meeting. The Committee were of the view that monetary policy stance should continue to be adequately accommodative, and will stand ready to utilize an appropriate mix of available policy tools in order to support the economic recovery, while maintaining long-term economic and financial stability.

Bank of Thailand  
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