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

Mr. Mathee Supapongse, Secretary of the Monetary Policy Committee, announced the outcome of the meeting on 16 September 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 second quarter to July 2015, the Thai economy gradually recovered. Private sector confidence and spending have been weighed down by continued contraction in exports of goods, a result of a slowdown in the Chinese and other Asian economies, as well as sluggish household income. Nevertheless, continued improvement in tourism and accelerated disbursements of public investment expenditure have been the main drivers for the economy. Moreover, the recently announced fiscal stimulus measures should provide some additional support.

Inflationary pressure declined due mainly to lower-than-expected oil prices. Consequently, headline inflation is projected to stay in negative territory for the rest of 2015, before turning positive in the first quarter of 2016, later than previously assessed. Meanwhile, deflationary risks remain contained as core inflation is positive, reflecting that prices of most non-energy items have been stable or trended upwards. Furthermore, inflation expectations stay close to the inflation target.

Under the Committee's assessment, the Thai economy continues to face negative factors, particularly a slowing global economy and higher volatility in the global financial markets. However, monetary conditions, including exchange rate development, remain supportive to the economic recovery.

Against this backdrop, the Committee decided to maintain the policy rate at this meeting. Looking forward, 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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