



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department
Tel. 0-2283-5016-7 FAX 0-2281-5648 www.bot.or.th

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Monetary Policy Board's Decision on 5 September 2000

The Monetary Policy Board reviewed the economic conditions and inflation trend, and adjusted some of the assumptions regarding external factors. Recent increases in oil prices and the depreciation of the baht against the US dollar do pose some risk to inflation and hence economic growth. Nevertheless, the Monetary Policy Board considered the magnitude of these risks to be within the anticipated ranges. Exports which is the main engine of economic recovery continued to expand, underpinned by the economic growth of our trading partners. The US monetary policy has to a certain degree lessened the risk of hard landing of the US economy. The forecast trend of core inflation still remains below 3.5 percent, which is within the target range.

The Monetary Policy Board therefore decided to maintain the 14-day repurchase rate at 1.5 percent per annum in order to continue to accommodate the economic recovery.

Bank of Thailand
September 5th 2000