



BANK OF THAILAND NEWS

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No. 65/2000

Re: Monetary Policy Board's Meeting on 23 May 2000

The Monetary Policy Board met on 23 May 2000 and decided on the following:

1. The MPB sets the target for core inflation (consumer price index excluding raw food and energy) for the years 2000-2002 at 0-3.5 per cent after considering various factors including inflation trend of Thailand's major trading partners and recent economic conditions in Thailand.

The MPB views that the set target would increase Thailand's export competitiveness and help lead to a stable currency. This target will also provide a conducive environment for the nation's economic expansion.

2. The MPB will use the 14-day repurchase rate as the key policy rate in signalling monetary policy stance. The closing rate at the end of day will not be allowed to depart from the policy rate by more than +/- 1/16 percent. Other repurchase rates such as 1-day, 7-day, and 1-6 month will be determined by market conditions and their movements will have no implication on signalling future monetary policy stance.
3. In this meeting, the MPB decided to maintain the 14-day repurchase rate at 1.5 per cent per annum.
4. The MPB will meet to decide the key policy rate every six weeks. The next meeting will be held on 18 July 2000 and the first inflation report will be released on 25 July 2000.

Bank of Thailand

23 May 2000