



BANK OF THAILAND NEWS

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Bank of Thailand launched measures to help SME and flood-hit businesses

The Bank of Thailand (BOT) has lowered interest rates on promissory notes to assist small- and medium-sized enterprises as well as businesses adversely affected by flood in the South.

Obuar Kruthanooch, Director of BOT's Public Communications Office and deputy BOT spokesman, recently announced that BOT has cut the interest rates charged on SMEs' promissory notes discounted at financial institutions from 3% to 2%.

"This cut is aimed to help SMEs obtain sufficient investment capital to run their businesses smoothly; and this measure is for one year period beginning January 12," said Mr. Obuar.

Moreover, BOT "will also provide financial assistance to businesses that had been adversely affected by flood in the South during November last year," added BOT's deputy spokesman.

Under the scheme for assisting the flood-affected businesses, new PNs will be issued in lieu of the old ones. These notes will carry interest rates no more than the minimum lending rate (MLR) determined by commercial banks that issue such notes, with a further reduction of 2.75%. In the case of non-bank financial institutions, the interest rates will be the average MLR of Bangkok Bank, Krung Thai Bank, Thai Farmers' Bank, and Siam Commercial Bank, with a further reduction of 2.75%. BOT will only charge a 1% rate on the value of the PNs purchased by those financial institutions.

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