



BANK OF THAILAND NEWS

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Monetary Policy Committee's Decision on 4 March 2002

Mr. Bandid Nijathaworn, Assistant Governor of the Monetary Policy Group, Bank of Thailand announced that the Monetary Policy Committee (MPC) met today to assess the latest economic developments, both domestically and abroad, in order to determine the appropriate monetary policy stance.

The MPC deemed that financial markets had moved in line with the previous two reductions in the policy rate as reflected in the fall in deposit and lending rates. This helped to ease the cost of capital for the corporate sector, create an environment favourable to investment, and support the economic recovery. At the same time, inflationary pressures continued to remain subdued.

The MPC assessed the latest economic data as indicating that the Thai economy continued to recover, with improvement in certain indicators. Positive economic factors included a pick-up in the US economy, monetary and fiscal measures to support the economy, as well as continued revival in investor confidence.

The MPC, therefore, decided to maintain the 14-day repurchase rate at 2 percent per annum.

Bank of Thailand

4 March 2002