



BANK OF THAILAND NEWS

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Monetary Policy Committee's Decision on 18 October 2006

Ms. Atchana Waiquamdee, Assistant Governor of the Monetary Policy Group, Bank of Thailand, announces that the Monetary Policy Committee (MPC) met today to assess the latest economic developments and trends in order to determine the appropriate monetary policy stance. The main issues discussed are as follows.

The MPC judged that the Thai economy continued to expand well. Although domestic demand in the second half of this year softened from the first half, export growth remained robust and economic stability improved. In addition, the decline in inflation was likely to help boost consumers' purchasing power.

The economy was expected to maintain growth and stability in 2007 as the oil price softens and the budget disbursement accelerates from the MPC's previous assumptions. However, the MPC continued to be cautious regarding uncertainties from the global economy and world oil price, which could pick up again.

With economic stability and growth improving from the assessment in the last meeting, the MPC deemed the current level of the policy rate to be appropriate and thus decided to maintain the 14-day repurchase rate at 5.00 per cent per annum.

Bank of Thailand
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