



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department

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Monetary Policy Committee's Decision on 28 February 2007

Ms. Suchada Kirakul, 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 were as follows.

Economic indicators in 2006 Q4 and January 2007 pointed towards a slowdown in domestic demand from the previous meeting, particularly in private consumption and investment. Economic momentum from exports was expected to moderate, given the prospects of the global economy in 2007. However, inflationary pressures were expected to be on a downward trend and core inflation should remain within the target range.

The MPC viewed that the risks to inflationary pressures were low and monetary policy could be eased in support of a further expansion of the economy. The MPC thus decided to lower the 1-day repurchase rate from 4.75 per cent per annum to 4.50 per cent per annum, effective today.

Bank of Thailand

28 February 2007

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