



# **BANK OF THAILAND NEWS**

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## **Monetary Policy Committee's Decision on 14 January 2009**

Ms. Duangmanee Vongpradhip, 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.

The global financial crisis resulted in a significant slowdown of growth in industrial economies, which had a marked impact on exports of regional economies and led to a contraction in Thai exports. In addition, domestic demand continued to soften, both in consumption and investment, partly as a result of fragile sentiment. However, the domestic political situation, which began to show signs of increasing stability, should help enable the government to implement its economic stimulus measures going forward.

Inflation remained low as a result of the significant decline in oil and commodity prices due to weaker global economic conditions and domestic demand. The MPC thus viewed that monetary policy could be eased further to support the economic recovery, particularly as the economy continued to face numerous negative risks, both on the domestic and external fronts, and the impact of fiscal stimulus would take some time to materialize.

The MPC therefore decided to lower the policy interest rate by 0.75 percent per annum, from 2.75 per cent per annum to 2.00 per cent per annum, effective immediately.

Bank of Thailand

14 January 2009

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