



## **BANK OF THAILAND NEWS**

Communications and Relations Office, Management Assistance Department

Tel. 0-2283-5016-7 Fax. 0-2281-5648 www.bot.or.th

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### **The Cabinet Approved Monetary Policy Target for 2009**

Ms. Atchana Waiquamdee, Deputy Governor, Bank of Thailand, clarified issues related to the target of monetary policy for 2009 which received the approval from the cabinet today.

The Bank of Thailand Act B.E. 2485, as amended by the Bank of Thailand Act (No.4) B.E. 2551, mandates the Monetary Policy Committee (MPC), in agreement with the Minister of Finance, to formulate the monetary policy target for the following year and submit it to the Cabinet for approval.

The Cabinet today approved the proposal, which sets the target of monetary policy to be the quarterly average rate of core inflation between 0.5 and 3.0 per cent per annum. This would continue to promote monetary policy transparency and ensure a strong anchor for long-term inflation expectations, which would help the Bank of Thailand fulfill the price stability objective and foster sustainable economic growth for Thailand in the long run.

The approved target range of 0.5-3.0 per cent per annum is slightly narrower than the old range of 0.0-3.5 per cent adopted since 2000, and is in line with those of other inflation-targeting countries. The lower bound of the range was adjusted upwards by 0.5 per cent to limit the risk of deflation, while the upper bound was lowered by the same amount to signal no change in the overall monetary policy stance.

Bank of Thailand  
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