



No. 25/2026

Monetary Policy Committee's Decision 3/2026

Mr. Don Nakornthab, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 24 June 2026 as follows.

The Committee voted unanimously (7-0) to maintain the policy rate at 1.00 percent.

Thailand's economic expansion is projected to be stronger than previously assessed but growth remains low and uneven. Inflation is expected to rise due to supply-side factors, but will subsequently fall once the supply-side pressures gradually ease. Overall credit growth remains subdued, with the need to continue monitoring loan quality of SMEs and vulnerable households. The Committee assesses that an accommodative monetary policy stance, coupled with targeted financial measures, has helped support the economic recovery. The Committee therefore voted to maintain the policy rate at this meeting and will closely monitor inflation developments and medium-term inflation expectations.

The Thai economy is projected to expand by 2.3 and 1.8 percent in 2026 and 2027, respectively. Growth has been stronger than previously anticipated, supported by merchandise exports and private investment associated with the technology and AI cycle, government measures to alleviate the impact of the energy crisis, as well as an improvement in the situation surrounding the Middle East conflict. At the same time, the realized impact of the conflict on the manufacturing and tourism sectors has been less severe than previously assessed, with large businesses demonstrating greater adaptability than anticipated. Nevertheless, the overall economic expansion is projected to remain low and uneven. SMEs continue to face limitations in adaptation and are constrained by intense competition. Meanwhile, most households remain under pressure from decelerating income growth and rising living costs, which will weigh on private consumption once government relief measures phase out.

Headline inflation in 2026 and 2027 remains in line with the previous assessment, averaging 2.8 and 1.4 percent, respectively. Inflation for the remainder of 2026 is expected to exceed the target range due to pass-through of energy and production costs, before declining



in 2027 given the dissipation of supply-side pressures and the effect of a high base in 2026. Core inflation is projected to average 1.5 and 1.4 percent in 2026 and 2027, respectively, in line with previous estimation. Medium-term inflation expectations remain anchored within the target range. Despite improving developments surrounding the Middle East conflict, cost pass-through by firms warrants close monitoring amid elevated costs, as well as medium-term inflation expectations.

The Thai baht has depreciated against the U.S. dollar, driven by the shift in the Federal Reserve's monetary policy stance. Overall, interest rates within the financial system have remained stable. Overall credit expands at a low rate, driven primarily by large corporate borrowers, while SME loans continue to contract. Financial institutions remain cautious in lending to high-risk borrowers. Although overall credit quality has remained stable, debt repayment ability of SMEs and vulnerable households should continue to be monitored. The Committee encourages financial institutions to continue implementing targeted financial measures to support these vulnerable groups.

Under the prevailing monetary policy framework, which aims to maintain price stability, support sustainable economic growth, and preserve financial stability, the Committee views that the current policy rate is appropriate to support economic recovery. While inflation has increased due to supply-side factors, the Committee will continue to monitor its outlook and associated risks going forward.

Bank of Thailand

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