



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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Monetary Policy Committee's Decision on 6 September 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 economy continued to expand in the second quarter of the year and July 2006, although at a more moderated pace due to the slowdown in domestic spending. The MPC assessed that such slowdown may continue for some time but should not significantly affect overall growth given the favourable export performance.

Economic stability has improved, as evidenced by the decline in inflation and the current account turning positive. Although recently oil prices fell somewhat, future oil prices remain uncertain and continue to be a risk factor to be closely monitored.

The MPC viewed that the economy is adjusting well both in terms of stability and growth, but risks to inflation remain. In this light, the current level of the policy interest rate was considered appropriate. The MPC thus decided to maintain the 14-day repurchase rate at 5.00 per cent per annum.

Bank of Thailand
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For further information, please contact: Ms. Jittapa Prachuabmoh Tel: +66 (0) 2356 7872
e-mail: jittapav@bot.or.th