



BANK OF THAILAND

BOT Press Release

Communications and Relations Office, Corporate Communications Department
Tel. 0-2283-5016-7 Fax. 0-2281-5648 www.bot.or.th

No. 13/2014

Monetary Policy Committee's Decision on 23 April 2014

Mr. Paiboon Kittisrikangwan, Secretary of the Monetary Policy Committee (MPC), announced the outcome of the meeting on 23 April 2014 as follows.

The global economy continued to recover, led by expansion in the major economies, particularly the US. Emerging market economies meanwhile showed signs of moderation. Growth in China decelerated from investment, with increased risks in the financial sector. In Asia, domestic demand slowed down while exports benefited further from a recovery in major economies.

Growth of the Thai economy in the first quarter of 2014 is expected to contract by more than previously assessed from domestic demand. Private investment and tourism have felt greater impact from political uncertainties. Exports of goods gradually improved but could not offset the overall subdued growth. Looking ahead, the prospect for economic recovery hinges importantly on the political developments. Economic expansion this year is expected to be lower than previous assessment, and driven mainly by exports. Inflationary pressure rose in line with expectations.

The committee deems prolonged political uncertainties to be the main cause for higher downside risks to growth. Financial conditions are accommodative, and are not hindering domestic spending. Current monetary policy remains appropriately supportive of the Thai economic recovery. The MPC thus voted 6 to 1 to maintain the policy rate at 2.00 percent per annum. One member voted to lower the policy rate by 0.25 percent, to sustain policy easing in supporting growth. The MPC will closely monitor economic and financial developments, and ensure that monetary policy stance continues to lend sufficient support to the economy.

Bank of Thailand

23 April 2014

For further information, please contact:
Monetary Policy Strategy Team 1 Tel: +66 (0) 2283 6186, 356 7872
email: MonetaryPolicyStrategyTeam1@bot.or.th