

Santiago, January 8, 1998

Press Release

1. The Board of the Central Bank of Chile decided to take the necessary steps to raise the target interbank interest rate by 50 basis points to a mid-band level of 7.0% over the UF value.
2. This decision was taken in view of the new world situation which requires a more moderate evolution of aggregate demand to attenuate its impact on the current account and on inflation.
3. The Minister of Finance, present at the Board meeting, agreed with the analysis of the situation and the measure adopted.
4. The Central Bank in coordination with the Minister of Finance will continue attentive to economic and financial developments in Chile and abroad in order to take timely measures aimed at furthering macroeconomic objectives while maintaining sound external accounts.