

Santiago, May 9, 2000

### **Press Release**

At its monthly monetary policy meeting held today, the Board of the Central Bank decided to keep the monetary policy interest rate at its current level of UF plus 5.5% and that liquidity credit lines would also remain unchanged.

The Board analyzed recent economic developments and the outlook for the next 24 months in the light of available data.

The Board considers that given a scenario of 6% economic growth a year for the next two years there is every likelihood of inflation stabilizing at around the middle of the target range, that is around 3% in a range of 2%-4% within 12 to 24 months.

In the short term, inflation might exceed the upper limit of that range but underlying inflation would stand within the range. The path of inflation during these 24 months could be variable but the risks are essentially balanced for the relevant horizon and monetary policy will be vigilant and flexible enough to face such risks.