

Central Bank of Chile
Santiago, 15 January 2015
Press Release¹

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to keep the monetary policy interest rate at 3% (annual).

Internationally, the downward trend of the prices of commodities continued, with a further decline in the oil price and a drop in the price of copper. External financial conditions for the emerging economies deteriorated, while long-term rates in developed economies declined and the dollar continued to appreciate. Meanwhile, recent information confirms the outlook of good economic performance in the United States and slower growth and low inflation in the Eurozone and Japan, a development that has widened the differences in expected paths of monetary policy implemented by those economies.

Output and demand indicators continue to reveal the low growth of the Chilean economy, in accordance with the December's Monetary Policy Report's baseline scenario. Meanwhile, the unemployment rate declined and nominal wages remain dynamic. Local financial conditions reflect the impact of the monetary stimulus. Annual inflation dropped, while core indicators kept at the same level. Medium-term inflation expectations remain around 3%. The evolution of prices will continue to be monitored with special attention.

The Board reiterates its commitment to conduct monetary policy with flexibility so that projected inflation stands at 3% over the policy horizon. Any future changes in the monetary policy rate will depend on the implications of domestic and external macroeconomic conditions on the inflationary outlook.

¹ The Spanish original prevails.