

**Central Bank of Chile**  
**Santiago, 19 November 2013**  
**Press Release<sup>\*</sup>**

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to lower the monetary policy interest rate by 25 basis points, to 4.5% (annual).

In the global economy, incoming activity and expectations figures are consistent with a scenario of gradual recovery of advanced economies, led by the United States, and more moderate growth in emerging economies. World-level inflation is still low, partly explained by recent declines in commodity prices. The central banks of the main economies have confirmed their decision to maintain their expansionary monetary policies for a prolonged period. In particular, the ECB lowered its monetary policy rate and renewed some measures to inject liquidity, while the Federal Reserve has held on to its asset purchase plan. The dollar has appreciated across the board in international markets, albeit more intensely against the currencies of emerging economies.

Domestically, economic activity has continued to evolve at a moderate pace, in line with the scenario depicted in the last Monetary Policy Report. Third-quarter data and revised figures of earlier quarters confirm the slowdown of all the components of final demand, as was projected. Inflation is behaving moderately and market expectations foresee that it will gradually normalize toward 3% within the next 24 months. Both the nominal and the real exchange rate have depreciated.

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.

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<sup>\*</sup> The Spanish original prevails.