

**Central Bank of Chile**  
**Santiago, 13 September 2012**  
**Press Release\***

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to maintain the monetary policy interest rate at 5% (annual).

Internationally, global financial conditions have improved and the financial tensions in the Eurozone have moderated after the announcements of the European Central Bank. However, there is still uncertainty about the region's performance and a resurgence of tensions in coming months cannot be ruled out. Incoming information confirm the outlook of slow growth in developed economies and a deceleration in the main emerging economies. Accordingly, several central banks have taken additional measures of monetary stimulus, where actions by the U.S. Federal Reserve stand out. In international markets the dollar has depreciated, while commodity prices show a rebound in the last month, especially copper and fuels.

Domestically, output and demand indicators have evolved around trend. Although employment growth has moderated further and no acceleration of labor costs is observed, the labor market remains tight. The peso has appreciated. Y-o-y CPI inflation and core inflation measures remain below 3%. Inflation expectations over the policy horizon remain around the target.

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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\* The Spanish original prevails.