

**Central Bank of Chile**  
**Santiago, 13 January 2011**  
**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 3.25% (annual).

Internationally, signs of moderate growth in developed countries have continued, which contrasts with the dynamism of emerging economies. Concerns regarding financial risk in some European economies persist. Difficulties in the recovery of developed countries are still an important risk factor for emerging economies. Meanwhile, international prices of commodities, including foodstuffs and energy, are still on the rise, which is having an inflationary impact on several economies.

Domestically, output, demand and employment figures continue on a positive trend, in line with projections in the latest *Monetary Policy Report*. Core inflation measures remain bounded. After the announcement of the foreign currency purchase program, the peso has depreciated. Private inflation expectations show an increase in the monetary policy horizon, although stronger in the short term due to increases in some specific prices.

The Board reiterates that it will be necessary to continue to reduce the monetary stimulus in the coming months, in line with the last *Report*. The pace of this process will depend on the unfolding of domestic and external macroeconomic conditions. Accordingly, the Board will continue to use its policies with flexibility so that projected inflation stands at 3% over the policy horizon.

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\* The Spanish original prevails.