

Santiago, October 8, 2002

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 an annual 3% and leave liquidity credit lines unchanged at the levels prevailing since the previous meeting.

The scenario for world economic growth has not changed in recent weeks but the risk of worse scenarios has heightened and regional financial markets are yet more volatile as can be seen particularly in the pressures on various currencies.

The domestic economic scenario is in general coherent with the growth perspectives described in the the latest *Monetary Policy Report*. The medium-term inflation outlook remains close to the mid-range target although in the short term there could be bigger variations.

The Central Bank reiterates its commitment to a flexible use of monetary policy to avoid deviations from the inflationary target.