

Santiago, April 9, 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 4.75% and leave liquidity credit lines unchanged at the levels prevailing since the previous meeting.

The outlook for growth of most of Chile's trading partners is tending to improve even though the situation in Latin America continues weak and oil prices have risen because of the trouble in the Middle East.

On the domestic front, most macroeconomic indicators are weak as regards year-on-year growth. However, data show that domestic demand reached its lowest level during the second half of last year and thus the Board maintains its outlook for moderately rising demand in the coming quarters and inflation well in the centre of the target range. Nevertheless, it does not dismiss the possibility of further changes to the monetary policy rate if the future situation so requires.

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