

Santiago, December 13, 2001

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 6.5% and leave liquidity credit lines unchanged at the levels prevailing since the previous meeting.

The latest data confirm low world growth, as increasingly observed in recent months. At the same time, in Chile forecasts are confirmed of inflationary pressures caused by depreciation of the peso since end-2000 being outweighed by low domestic demand growth and lower-than-expected oil prices. The inflation rate is thus dropping towards the floor of the target range.

The Board reiterates its commitment to price stability and to its inflation target and will therefore continue with a flexible use of monetary instruments.