

Santiago, November 8, 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 that liquidity credit lines would also remain unchanged at the levels prevailing since the previous meeting.

Recent data confirms the diagnosis of a sharp deterioration of the world economic scenario.

On the domestic front, inflation stays on the path and at the level foreseen in September's *Monetary Policy Report*. Pressures that result from the depreciation of the peso are countered by the low growth of domestic demand and oil prices even lower than had been predicted a couple of months ago. Inflation is thus expected to converge towards the mid-range target of 3% within a horizon of eight quarters.

The Board reiterates its commitment to price stability and to keeping inflation between 2% and 4%, centering on 3%, and will therefore continue with a flexible use of monetary instruments.