

Santiago, May 10, 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 its current level of UF plus 3.75% and that liquidity credit lines would also remain unchanged. The Board based its decision on recent economic developments and on the outlook for the next 24 months.

Inflationary pressures in the medium term are contained and even though inflation may fluctuate in the short term, the Board considers that it will stay around the mid-range target (3%) in the usual time horizon if the current monetary policy interest rate is maintained.

This is the result of slower-than-expected domestic demand growth but coherent with more dynamic output growth as from the second half of the year.

Considering both external and internal risks, the Bank will continue to use monetary policy with the necessary flexibility to avoid any deviations from the inflationary target.