

Santiago, April 10, 2001

Press Release

At its monthly monetary policy meeting held today, the Board of the Central Bank decided to lower the monetary policy interest rate by 25 basis points from UF plus 4% to UF plus 3.75% and to lower the rates on liquidity credit lines by the same amount each.

The Board considers that the slow growth of domestic demand and the slowdown of the world economy remove any pressure on inflation so this reduction of the monetary policy rate is coherent with an annual inflation of 3% within the 12 to 24 horizon usually considered.

In view of the greater economic uncertainty in the world and in the region, as well as the domestic economic situation, the Central Bank will use monetary policy with all necessary flexibility to avoid inflation deviating from its target.