

**The Central Bank of Chile**  
**Press Release\***  
**9 December 2004**

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided, with the vote of four of its members, to maintain the monetary policy interest rate at 2.25% (annual). The minority vote was for increasing the interest rate by 25 basis points.

Since the last meeting, output and expenditure have maintained their stronger dynamism in comparison to forecast in the last *Monetary Policy Report*, despite the effects caused by the difference in October's number of working days in economic activity indicators. Investment continues to grow at a fast pace, and consumption indicators maintain a positive tone. Furthermore, private expectations and job creation have improved.

The various indicators of the inflation trend have increased from very low levels and CPI inflation has returned to the target range of 2%-4% per year. Core inflation measures (that exclude some goods with more volatile prices) have increased gradually, approaching projections in September's *Monetary Policy Report*, while costs remain subdued.

The Board reiterates that, in the most likely scenario, it will continue to reduce the present marked monetary impulse at a measured pace, in order to maintain annual expected inflation centered around 3% in the usual policy horizon of 12 to 24 months.

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\* This is an unofficial translation. In case of any discrepancy or difference in interpretation, the Spanish original prevails.