



PRESS RELEASE*

Santiago, Chile, Thursday, 18 May 2017

Monetary Policy Meeting – May 2017

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to lower the monetary policy interest rate by 25 basis points, to 2.5%.

Internationally, despite a recent increase in volatility, financial conditions have remained favorable and incoming figures continue to lend support to a scenario of stronger growth in the developed world. Commodity prices again showed mixed fluctuations, with a drop in the copper price. Overall, important risks persist.

On the domestic front, annual inflation remained at 2.7% and expectations at the end of the projection horizon are near the target. The activity and demand outlook depicted in the first-quarter National Accounts were in line with the March Monetary Policy Report, showing the negative impact of mining and construction. Private consumption is stable, reflecting the performance of the labor market.

The Board reiterates its commitment to conduct monetary policy with flexibility so that projected inflation stands at 3% over the policy horizon. Any future changes in the monetary policy rate will depend on the implications of domestic and external macroeconomic conditions on the inflationary outlook.

* The Spanish original prevails.