



PRESS RELEASE*

Santiago, Chile, Thursday, 13 April 2017

Monetary Policy Meeting – April 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 2.75%.

Internationally, global financial conditions remain favorable and various indicators point to a scenario of stronger growth and higher inflation in the developed world. Commodity prices showed mixed fluctuations, where the higher oil price stood out. Overall, important risks persist.

On the domestic front, inflation and activity performed in line with forecasts in the March Monetary Policy Report. Annual inflation remained at 2.7% and expectations at the end of the projection horizon are near the target. Indicators on economic activity and domestic demand remain weak. In particular, the labor market has deteriorated somewhat more than foreseen.

To ensure the convergence of inflation to the policy target, the Board will assess the need for some additional increase in the monetary impulse, which will hinge on the medium-term inflation outlook. As always, it reiterates its commitment to conduct monetary policy with flexibility, so that projected inflation stands at 3% over the policy horizon.

* The Spanish original prevails.