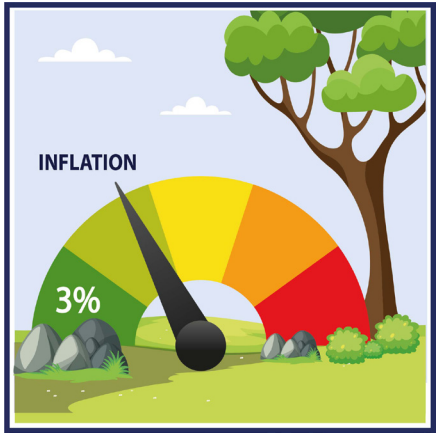
¿ What does this Monetary Policy Report tell us? June 2024



The Chilean economy has continued to return to a path of higher growth and has corrected its significant imbalances.



This has allowed inflation to reach levels close to the 3% target.



For the coming months, inflation is projected to rise, largely due to the increase in electricity rates.



The Board of the Central Bank will remain attentive to the risks of the economic scenario and will do everything necessary to ensure the convergence of inflation to the 3% target.

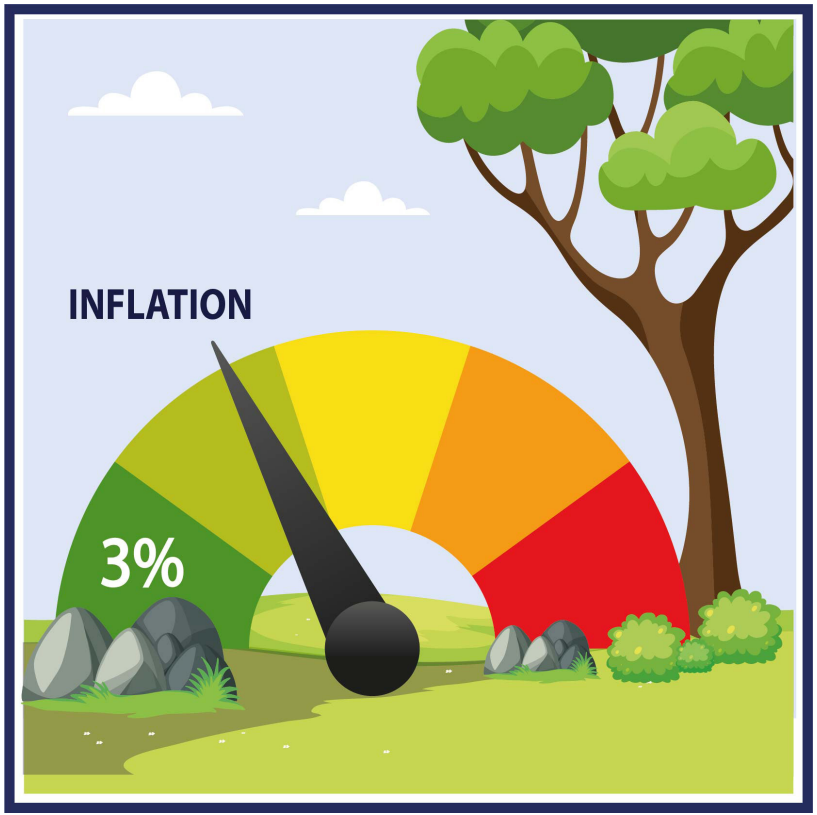
The Chilean economy has continued to return to a path of higher growth and has corrected its significant imbalances.

- However, differences continue to be seen between the performance of different sectors, which is normal in an economy.
- Thus, the sectors that offer services maintain higher dynamism and some branches of retail and wholesale trade have been recovering, which contrasts with the weakness sustained by construction.
- Consumption grew again in the first quarter of the year, while investment, although still weak, stopped the sharp decline it showed during the second half of 2023.
- The labor market also shows somewhat better performance, with greater job creation and an increase in wages.



This has allowed inflation to reach levels close to the 3% target.

- The annual variation of the CPI remains around 3.5%.
- The evolution of inflation has been in line with the projections made by the Central Bank in March, reflecting a behavior more consistent with usual.
- Inflation expectations, which reflect people's confidence in the work of the Central Bank, remain at 3% two years ahead.



For the coming months, inflation is projected to rise, largely due to the increase in electricity rates.

- Electricity rates have been lower than their real cost since 2019 and in April a law was approved that will update them.
- The effect of this rate update on inflation would be observed especially next year.
- In this way, it is projected that annual inflation would close 2024 at 4.2%, while in 2025 it would end at 3.6%.
- In the projections of this Report, the convergence of inflation to 3% will take place in 2026.



The Board of the Central Bank will remain attentive to the risks of the economic scenario and will do everything necessary to ensure the convergence of inflation to the 3% target.

- Monetary policy has continued to reduce its level of restriction, which is reflected in the lower interest rates on business and consumer loans.
- The Board estimates that, if the assumptions in the central scenario materialize, the MPR would have accumulated during the first half of the year the bulk of the MPR cuts foreseen for this year.
- The future trajectory of the MPR will be subject to the Board's evaluation of the evolution of the economic scenario and its implications for inflation.

