

# What does this IPoM tell us? September 2025



Economic activity has performed in line with forecasts, although with higher consumption and investment.



Inflation has continued to decline. However, its most stable component (inflation excluding volatile prices) is above expectations.



This makes it necessary to closely monitor how this component of inflation evolves and the variables that explain it (demand and costs, among others).



Overall, the Central Bank forecasts that inflation will converge to 3% during the third quarter of 2026 and remain at that level thereafter.

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- On the investment side, the increase has been driven mainly by large projects developed in the mining and energy sectors.
- Consumption also grew more than anticipated, due to wages that have continued to rise and a better financial situation for households.
- In this context, consumption and investment projections for the period 2025-2027 are increasing.
- Meanwhile, economic growth (GDP, Imacec) has been in line with expectations. The temporary factors that boosted the economy earlier this year —cherry exports and the impact of tourism— have dissipated, as estimated.
- Economic growth projections for this year have been adjusted slightly upwards from a range of 2 to 2.75% to a range of 2.25 to 2.75%.



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- The Consumer Price Index (CPI), an indicator that measures changes in the prices of goods and services, fell from 4.4% annually in May to 4% in August.
- In recent months, the monthly CPI has been volatile, making it difficult to accurately interpret price movements.
- However, core inflation (which considers only the most stable prices) has exceeded previous projections.
- These core prices are expected to decline during 2026, bringing total inflation to the 3% target during the third quarter of next year.



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- Although global uncertainty has decreased in recent months, it is still above the levels observed in the last decade.
- Beyond the agreements reached, tariffs imposed by the United States on other countries are at their highest since 1940.
- Other sources of uncertainty on the world stage are linked to wars and military tensions.
- In this scenario, the possibility of a deterioration in global financial conditions remains a significant risk.



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- Inflation is expected to converge to 3% in the third quarter of 2026. However, core inflation has been somewhat higher than expected and calls for close monitoring of its evolution.
- At its September meeting, the Central Bank kept the interest rate at 4.75%.
- The Board of the Central Bank of Chile reaffirms its commitment to conducting monetary policy with flexibility, so that projected inflation stands at 3%.

