

Statement by IMF Managing Director Christine Lagarde at the Conclusion of her Visit to Chile

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Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), made the following statement today in Santiago:

"It has been a pleasure to visit Chile. I had very productive meetings with President Sebastian Piñera, Finance Minister Felipe Larraín, and Central Bank President Rodrigo Vergara. During my stay here, I had the opportunity to participate in the meeting of the Community of Latin American and Caribbean States Finance Ministers, where we exchanged views on the challenges and opportunities for the region. I also met students and faculty in a townhall event at the Universidad de Chile and we discussed issues facing the young people of the region.

"Chile is one the most stable and prosperous nations in South America. It has enjoyed robust growth over the last decade. Chile's strong economic policy framework, including a fiscal rule, inflation targeting, and exchange rate flexibility has underpinned the economy's resilience in the face of the global financial crisis and the devastating earthquake in February 2010. Growth momentum is expected to remain strong. Risks relate mainly to the uncertain global environment. Chile remains exposed to shifts in commodity prices and deterioration in global financial market sentiment, although its ample policy buffers would provide protection. On the upside, continued strong domestic demand can put upward pressure on inflation and lead to further widening of the current account deficit.

"In the medium term Chile should aim at achieving higher productivity growth and diversifying the economy further with a view to sustaining high economic growth rates in the future. In this context, reforms to improve the quality of education and training, enhance labor market efficiency, and boost investment in the energy sector will be critical.

"Let me conclude by thanking the government and the Chilean people for their gracious hospitality."

IMF EXTERNAL RELATIONS DEPARTMENT

Public Affairs

Media Relations

E-mail: publicaffairs@imf.org

E-mail: media@imf.org

Fax: 202-623-6220

Phone: 202-623-7100