

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

Hernando Vargas

Carlos Varela

This paper analyzes the evolution and impact of capital flows in Colombia over the past five years. An examination of the nature and composition of the capital flows indicates that to large extent they have originated in foreign direct investment, especially in the oil and mining sectors. The repercussions of capital flows for the stability and fragility of the financial system are also discussed. Finally, some of the challenges faced by the authorities in dealing with the implications of capital flows for the conduct of monetary and exchange rate policies are presented.

The series Borradores de Economía is published by the Economic Studies Department at the Banco de la República (Central Bank of Colombia). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.