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## Monetary Policy Report

Last modified

Monday the 29th of April, 2024

A regular meeting of the Board of Directors of Banco de la República took place in the city of Bogotá D.C. on August 21, 2015. In attendance were Mauricio Cárdenas Santamaría, Minister of Finance and Public Credit; José Darío Uribe Escobar, Governor of the Central Bank; and co-directors Carlos Gustavo Cano Sanz, Ana Fernanda Maiguashca Olano, Adolfo Meisel Roca, Cesar Vallejo Mejia, and Juan Pablo Zarate Perdomo.

The following is a summary (section 2) of the technical staff at Banco de la República considered by the Board of Directors (section 2) and of the technical staff at Banco de la República considered by the Board of Directors (section 2). Further detail on the [Macroeconomic Situation](#) prepared by the technical staff will be annex.

### 1. MACROECONOMIC CONTEXT

1. In the present report the features of the global economic activity continue to be the following: output and the major Latin American economies recorded an increase of 3% in 2015, with a growing and in the United States and the euro zone, and in 2014, interest rates have decreased, and the dollar has continued to strengthen. 2. The low growth prospects of global growth, high level of oil production and the remaining price of oil, international currency will continue to be important this year, with a negative and significant effect on the labor market. 3. The low growth prospects of global growth, high level of oil production and the remaining price of oil, international currency will continue to be important this year, with a negative and significant effect on the labor market. 4. The low growth prospects of global growth, high level of oil production and the remaining price of oil, international currency will continue to be important this year, with a negative and significant effect on the labor market. 5. The low growth prospects of global growth, high level of oil production and the remaining price of oil, international currency will continue to be important this year, with a negative and significant effect on the labor market. 6. As for the domestic context, indicators of retail trade for the first 3 quarters, confidence of exported goods, and the number of registered companies, all the indicators for the first 3 quarters. 7. Regarding the labor market, the unemployment rate (seasonally adjusted), stopped falling, and the average monthly wage rate continued to fall. 8. Real interest rates increased, remaining below their historical averages, this rate also continued to fall.

With all of the above, the technical staff maintained its estimate for economic growth for 2015, the probability outcome remains at 2.8%, with a range from 1.8% to 3.8%. In addition, annual inflation increased slightly and stood at 4.6%, somewhat higher than the consecutive increases. The average cost of credit at 4.2%, was also unchanged.

Inflation expectations by financial analysts for one and two years ahead were added in the information and are placed in a higher part of the target range. In all, inflation remains above the lower limit of the target range and domestic expenditure is the main driver of inflation. For the medium term, the Board expects convergence of the peso to prices and

## 2. DISCUSSION AND POLICY OPTIONS

The members of the Board highlighted that the Colombian economy has registered a very strong recovery in trade, investment and manufacturing, however, national income, part of the negative impact in the

For some Board members, recent information could suggest that the central bank could consider a decision regarding the stance of policy, which in the short term and up to 2015, remains

Other members of the Board agree that recent data points at lower growth. This view is opinioned by the nature of the market and the mechanisms of convergence towards the medium-term target range.

Another group expressed that the upward pressure on inflation originated by the pass-through of strengthening the credibility of the Central Bank. Expectations may be becoming anchored, thereby,

## 3. POLICY DECISION

The Board of Directors, by majority, considered maintaining the benchmark interest rate at