Minutes of the Meeting of the Board of Directors on 27 March 2020

Minutes of the Meeting of the Board of Directors on 27 March 2020
The ordinary meeting of the Board of Directors of *Banco de la República* took place on 27 March 2020 in Bogotá D.C. In attendance were the Minister of Finance and Public Credit, Alberto Carrasquilla Barrera; the Governor of the Central Bank, Juan José Echavarría Soto; and Board Members Gerardo Hernández Correa, Ana Fernanda Maiguashca Olano, Carolina Soto Losada, Roberto Steiner Sampedro, and Arturo José Galindo Andrade.

The main monetary policy discussions considered by the Board are summarized as follows.

1. DISCUSSION AND POLICY OPTIONS
The members of the Board agreed that:

- This is an extraordinary and unprecedented situation of alteration of economic conditions whose analysis requires additional elements to those usually considered for monetary policy design.
- At the time the crisis broke out, economic activity in Colombia was more dynamic than in other countries, the output gap was closing, inflation was above the target, and inflation expectations were reasonably well anchored.
- In addition to the coronavirus shock, which directly affects the domestic economic activity and contracts international trade, our country is being severely affected by the collapse in the price of oil.

The members of the Board stressed the importance of complementing the measures of liquidity provision already adopted with measures to help alleviate the financial burden of households and enterprises, both for new credit and for part of the outstanding balance. This seeks to lay the groundwork so that the economy may return to a healthy path of expansion once the health emergency is over.

The Board of Directors unanimously decided to reduce the benchmark interest rate by half a percentage point, placing it at 3.75%.

This decision accompanies the measures that the Central Bank has been taking on a priority basis several weeks ago to ensure wide and timely provision of liquidity in both pesos and US dollars, as required under current conditions.

The Board will continue to monitor the situation permanently and will make the decisions necessary to ensure the proper operation of the economy.

2. POLICY DECISION
The Board of Directors unanimously decided to reduce *Banco de la República's* benchmark interest rate by half a percentage point, placing it at 3.75%.

Fuente: https://www.banrep.gov.co/en/minutes-meeting-board-directors-27-march-2020