How Did the Regional Economies Perform in the Fourth Quarter of 2020?

How Did the Regional Economies Perform in the Fourth Quarter of 2020? Bogotá

(Bogotá D.C., Cundinamarca)

The economy in Bogota and Cundinamarca showed signs of reactivation in certain areas of activity during the final quarter of 2020. The manufacturing industry and retail trade posted a recovery in Cundinamarca, contrary to the negative results observed in Bogotá. Construction was plagued by a scarcity of new projects and a need to complete of those planned prior to the pandemic This applies to both civil works and buildings. Air and land transportation declined, but less so than in previous quarters. The same was true of imports. On the other hand, exports and remittances grew. The unemployment rate is still at double-digit levels and inflation reached a historic low.

Northeast

(Arauca, Boyacá, Norte de Santander, Santander)

During the fourth quarter of 2020, the region's economic indicators showed improved performance compared to the previous quarter; however, the annual growth rates for most economic activities are still negative. Domestic demand, measured through retail sales, and supply, through agricultural production and certain industries, boosted this recovery. The job indicators, particularly with respect to the number of employed workers, continued to be much lower than those observed prior to the pandemic, while inflation was below the target set by *Banco de la República*.

Coffee Region

(Caldas, Quindío, Risaralda)

The coffee region registered favorable performance for most economic activities during the fourth quarter of 2020. Annual increases in industrial production and foreign trade were a high point, particularly sales of products other than coffee. Also noteworthy was the increase in certain variables related to construction and remittance inflows. Moreover, air and land passenger transportation, hotel occupancy and domestic trade still showed show signs of reactivation, despite negative results. Vehicle trade continued to decline. Regional unemployment remained at historically elevated levels, despite having improved somewhat, while inflation stayed within the target range set by *Banco de la República*.

Northwest

(Antioquia, Chocó)

In the fourth quarter of 2020, most economic indicators for the Northwest were up compared to the same period the year before and had improved with respect to reports on previous quarters. On the demand side, commerce stood out thanks to an increase in retail sales and the motorcycle trade. On the supply side, industry in Antioquia

increased its production, as did the agricultural sector. Some construction-related variables showed positive results, such as higher sales of new homes and more cement being dispatched. Meanwhile, transportation and tourism began to reactivate, remittances from abroad increased, exports accelerated notably due largely to gold, while imports slowed significantly. The unemployment rate grew annually in the two capital cities, and inflation in Medellín remained within the target range.

 Southeast

(Amazonas, Casanare, Guainía, Guaviare, Meta, Vaupés, Vichada)

During the fourth quarter of 2020, the Southeast exhibited a combination of results for the different variables that are available with respect to its economic activity. However, they are mostly negative. Annual growth was observed for certain variables in the construction sector and in some agricultural indicators that are especially relevant for the region, such as rice production. Yet, this growth was offset, in the first case, by a decline in cement shipments and new home sales and, in the second, by a reduction in food supply. The statistics on the region's domestic sales balance and the marketing of vehicles, as well as external sales, also showed a decline. Villavicencio was among the cities in the country with the lowest inflation, while the unemployment rate notoriously surpassed that recorded during the same quarter a year ago.

 Caribbean Coast

(Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, San Andrés y Providencia, Sucre)

The economy on the Caribbean coast slowed during the final quarter of 2020 with respect to the same period the year before. This was true of most of the economic indicators that were analyzed. Despite efforts in the different sectors to adapt to the conditions brought on by Covid-19, the results are still below those achieved a year ago. Air and land passenger transportation, domestic and foreign trade, and livestock activities were the most affected; industry and construction declined to a lesser extent. On the other hand, air cargo transportation, agriculture and remittances posted positive balances. Job market indicators continued to deteriorate, while inflation stayed on a downward trend.

 Central Region

(Caquetá, Huila y Tolima)

During the fourth quarter of 2020, the indicators show the economic momentum in central Colombia remained low, largely due to the persistence of Covid-19 and the measures taken to prevent its spread. In the annual comparison, the dynamics in building construction and land and air passenger transportation declined, and vehicle sales, hotel occupancy and consumption of electricity and natural gas were down as well. However, certain activities posted outstanding increases, particularly the slaughter of cattle and hogs in the livestock sector and the volume of credit resources focused on farming and ranching. The job market continued to deteriorate, with unemployment rates being higher than a year ago, while annual inflation registered low figures for the region’s capital cities.

 Southwest

(Cauca, Nariño, Putumayo, Valle del Cauca)

The economy in the Southwest contracted during the fourth quarter of 2020 compared to the previous year. Several of its economic indicators continue to be affected by mobility restrictions. However, the downturn was

slower than it had been. There was a decline in transportation, sales of new vehicles and hotel occupancy, although sales in commerce increased. Agricultural activity, the manufacturing industry and certain variables in the construction sector also showed positive results, fueling the improvement in regional economic performance and the recovery in employment. Exports and remittances also contributed significantly to the progress in results, recovering the ground lost in previous quarters. Meanwhile, all the cities in the Southwest posted low inflation rates.

Fuente: https://www.banrep.gov.co/en/how-did-regional-economies-perform-fourth-quarter-2020