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- In August, headline inflation stood at 0.7%, above the 0.5% expected by the technical staff and market analysts. Headline annual inflation came in at 11.4%, decreasing for the fifth consecutive month, and core inflation (excluding food and regulated items) decreased for the second month, reaching 9.9%.
- Despite the drop in annual inflation, it remains well above the target. Inflation expectations registered slight variations. The survey of economic analysts for August showed that, according to the sample median, inflation expectations have been revised upward to 5% by the end of 2024. Financial market expectations also show an increase between August and September.
- High-frequency indicators of economic activity show the economy has continued to slow down. However, in the aggregate, economic activity continues at higher levels than those that would have been observed had the pre-pandemic growth trend continued. These high levels of activity have been accompanied by a dynamic job market, which continues to register employment growth, with unemployment rates below those of the past five years.
- The Board underscores high inflation increases economic costs in terms of growth and equity, making long-term financing for both the public and private sectors more difficult. In addition, it introduces distortions in the allocation of resources and generates redistributions that are detrimental to the lower-income strata of the population.
- The majority of the Board considers that, given the available information, it is not prudent to initiate an interest rate reduction process whose sustainability would face significant risks over time.

The Board's decision recognizes the difficulties facing monetary policy decisions and is in line with the objective of bringing inflation down toward its 3% target. Future decisions by the Board will be determined according to new information available.

Fuente: https://www.banrep.gov.co/en/news/bdbr-voted-majority-maintain-september-2023