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Regional Economic Pulse

User Guide

Name of the statistical operation and acronym: **Regional Economic Pulse** (PER, by its Spanish acronym)

Responsible entity: ***Banco de la República*** **(the Central Bank of Colombia)**

What is the Regional Economic Pulse?
The Regional Economic Pulse is a short-term perception indicator produced monthly by *Banco de la República* that measures annual changes in regional and national economic performance and helps identify their dynamics by monitoring six economic activities.

What are the sources of information for the Regional Economic Pulse?
Data is mainly collected through perception surveys conducted among executives and/or leaders of major companies, establishments, trade associations, and institutions engaged in one or more of the six economic activities monitored, operating in one or more of the seven regions into which the country is divided. Available regional statistics are also compiled to complement the indicator. All information is collected during the first twelve (12) business days of the month immediately following the reference period.

What the Regional Economic Pulse is not.
The Regional Economic Pulse is not intended to estimate or forecast the performance of economic activity. This perception indicator is not a departmental, regional, sectoral, or national Gross Domestic Product (GDP) measure, as it does not measure the magnitude of production or of added value generated by the production of goods and/or services. It does not collect information related to mining and quarrying; construction (buildings and civil works); electricity, gas, and water supply; food services; information and communications; insurance activities; real estate, professional, scientific, and technical activities; administrative services, public administration, and defense activities; education; human health and social work activities; and arts, entertainment, and recreation activities, among others.

How is the Regional Economic Pulse calculated?
The indicator is calculated by combining qualitative and quantitative information. Qualitative information represents the largest proportion and comes from perception surveys whose responses are classified into nine categories ranging from -1 to 1, with a difference of 0.25 between adjacent categories. Quantitative information is obtained from regional data provided by public and private sources, and their annual changes are transformed to fit within the interval [-1, 1]. The Regional Economic Pulse is calculated as a weighted sum considering the participation of each company or establishment in the sector and region under study, as well as the relative weight of each sector and region within the national aggregates.

For additional details on the calculation methodology, please refer to the methodological note on the statistical operation.

How is the Regional Economic Pulse interpreted?
The indicator varies on a scale from -1 to 1. Values below zero suggest negative annual change, while values above zero indicate a positive annual change, and values equal to zero denote no annual change. The extreme

value -1 is interpreted as an atypical negative annual change, and the extreme value 1 represents a historically high positive annual change.

The results of the Regional Economic Pulse should not be interpreted as percentage changes, as they are based on a methodology that constrains the indicator to a range between -1 and 1, taking into account the different units of measurement used in the responses.

For example, a positive result for the Regional Economic Pulse for Industry in October 2023 means that production volume was higher in October 2023 than in October 2022, according to respondents’ perceptions.

What factors can lead to revisions of the indicator results?
The Regional Economic Pulse is an estimate based primarily on perception surveys that are complemented by data available in a timely manner. The calculation of the indicator relies on appropriate methodologies that combine this qualitative and quantitative information. Given its nature, it is an indicator that is constantly evolving and may change in response to adjustments in information sources, measurement variables, coverage, and/or changes in economic structures. In addition, it may vary due to revisions in the data, calculation techniques, and the base year used for the different weights, among other factors.

What information is available to the public?
Fourteen Regional Economic Pulse statistical series are available.

Seven regions and the national aggregate:

- Antioquia
- Southwest (Valle del Cauca, Cauca, and Nariño)
- Caribbean (Atlántico, Bolívar, Magdalena, Córdoba, Cesar, Sucre, La Guajira, and San Andrés)
- Northeast (Santander, Norte de Santander, and Boyacá)
- Central Coffee Region (Caldas, Quindío, Risaralda, Tolima, Huila, and Caquetá)
- *Llanos Orientales* (Meta and Casanare)
- Bogotá (Bogotá and Cundinamarca)
- National aggregate

Six economic activities make up the national aggregate:

- Domestic trade
- Industry
- Transportation
- Agriculture and livestock
- Financial services
- Housing

The variables measured in the different economic activities are industrial and agricultural production volumes, trade sales volume, hotel occupancy rate, number of departing passengers, volume of freight transported by air and road, new housing sales in units, number of residential real estate transactions, and credit disbursement amounts.

The source information used to produce the Regional Economic Pulse Indicator is catalogued as classified public information in the Index of Classified and Reserved Information (IICR in Spanish) of *Banco de la República's* Operational and Services Regulatory Circular DG-GI 393 (Annex 5, section 16 - Index of Classified and Reserved Information).

What is the periodicity of the indicator?
The Regional Economic Pulse is produced monthly, and the series are published with a lag of approximately 20 days at the close of the month of measurement.

Document control
Prepared by: Regional Economies Section
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Approved by: Director, Technical and Economic Information Department (DTIE)
Date of approval: 13 December 2023
Change history: Version 1 (13/12/2023). Initial version of the document.