Box 2 - Investment Outlook and Recent Development - Monetary Policy Report - April 2024

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Investment, a crucial driver of a country’s economic growth, is intricately linked with increased productive capacity and infrastructure. After a notable upturn in certain investment components in 2021 and 2022, Colombia experienced a significant investment decline in the past year. High levels of inflation, a slowdown in economic activity, a reduction in macroeconomic imbalances, low confidence, and the high cost of both internal and external financing all contributed to investment’s weakening. The adjustments in public policies related to investment sectors, such as housing subsidies and energy transition policy, brought about uncertainty and further added to the decline. This Box seeks to further asses the outlook for this spending sector, describing the recent behavior of investment and its principal components and reviewing the expected evolution of some of its main determinants. It should be noted that this forward-looking analysis is subject to considerable uncertainty and revisions of national data provided by the National Department of Statistics (DANE for its Spanish acronym).

Fuente: https://www.banrep.gov.co/en/publications-research/monetary-policy-report/box-2-april-2024