



Remarks at the Bear Stearns 2007 Colombia Conference

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Summary

I. The Economic Situation

II. The Orientation of Monetary Policy

**III. Financial Market Turbulence and the
Colombian Economy**

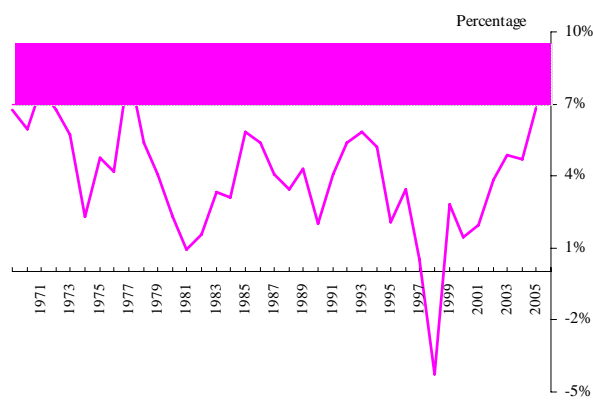
IV. Conclusions



I. The Economic Situation



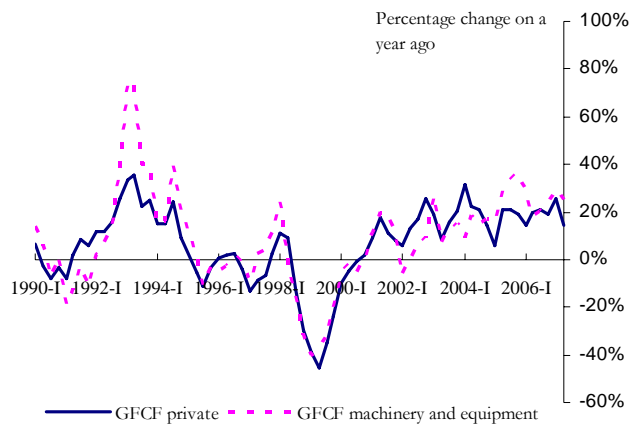
GDP Growth (annual) since 1970



Note: The data for 2007 is the GDP growth for the first semester of the year



Private Investment and Investment in Machinery and Equipment



Breakdown of Annual Inflation by Upward Pressure (At August 2007)

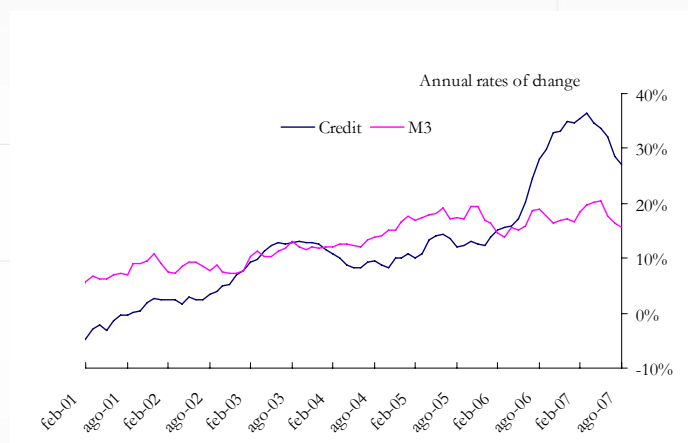
Description	Weight	Annual Growth		Share in points		Share in %	
		Dec-06	Aug-07	In the slowdown since Jul-07	In the build-up since Dec-06	In the slowdown since Jul-07	In the build-up since Dec-06
Total	100.00	4.48	5.22	-0.55	0.74	100.00	100.00
Without food	70.49	3.95	4.31	-0.02	0.23	4.24	31.06
Tradables	24.67	1.71	1.37	-0.06	-0.09	11.02	-12.06
Non-tradables	36.77	4.75	5.56	0.03	0.25	-5.82	33.62
Regulated prices	9.04	6.12	6.61	0.01	0.07	-0.96	9.50
Food	29.51	5.68	7.23	-0.53	0.51	95.76	68.94
El Niño	7.15	2.79	1.68	-0.37	-0.09	66.77	-12.04
International prices.	5.35	9.62	6.70	-0.06	-0.15	10.10	-19.95
Domestic demand	9.52	5.83	8.12	-0.03	0.21	5.89	28.36
External demand (Venezuela)	7.48	5.81	13.08	-0.07	0.54	13.01	72.57



II. The Orientation of Monetary Policy



M3 and Credit



Note: Total credit in domestic currency



III. Financial Market Turbulence and the Colombian Economy



IV. Conclusions

