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The Board of Directors of *Banco de la República* (BDBR), by majority, reduced the Benchmark Interest Rate by half a Percentage Point to 2.50%. In this way, it continues with the countercyclical monetary policy stance.

This decision took the following elements into consideration:

- In May, inflation stood at 2.85%, the average of core inflation indicators at 2.44%, and inflation expectations continued to decline and stood below 3% as a reflection of a weak aggregate demand, the deterioration of employment, and spare productive capacity.
- The downward revisions of local and global growth suggest a substantial expansion of spare capacity and greater deterioration of the labor market *vis-à-vis* a month ago. A slow recovery of the country's main trading partners is expected for the remainder of the year.

The conditions of financial markets have improved with respect to the beginning of the crisis, but there remains great uncertainty regarding the global macro-economic context.

Under these conditions, the risk balance for monetary policy suggests the appropriateness of providing an additional boost to the economy.

The decision to cut the benchmark interest rate by one quarter of a percentage point was approved by five Board Members.

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Fuente: https://www.banrep.gov.co/en/board-directors-banco-republica-reduced-benchmark-interest-rate-one-fourth-percentage-point-250