Banco de la República’s board votes 5-2 to hold interest rates at 1.75%

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Banco de la República’s board of directors (BDBR) in its meeting on January 29 held the benchmark interest rate at 1.75%. The decision was based on the following considerations:

- Annual inflation in 2020 was 1.6%, below the BDBR’s 3.0% target. Indicators of core inflation averaged 1.3% for the year.
- Year-end inflation expectations remain stable at 2.7% for 2021 and 3.1% for 2022. Inflation is expected to remain low for the first quarter of 2021 before accelerating through the rest of the year.
- The most recent growth indicators confirm a recovery in economic activity that is expected to continue through the course of the year.
- The financial system continues to offer favorable and stable conditions for solvency and liquidity. In this context, the credit portfolio and interest rates continue to respond to monetary policy stimulus.
- External financial conditions continue to favor financing of the Colombian economy.
- Uncertainty persists regarding the economic effects of new waves of the coronavirus pandemic.

In considering these circumstances and the general balance of risks, the BDBR voted 5-2 to hold the benchmark interest rate at 1.75%.

Trasmisión en tiempo real de la rueda de prensa que se hace inmediatamente termina la reunión de la Junta Directiva. En esta trasmisión se informan la decisiones de política monetaria a través de la lectura del comunicado de prensa y las respuestas a las preguntas que los medios de comunicación formulen de manera virtual a los voceros.

Fuente: https://www.banrep.gov.co/en/banco-republicas-board-votes-5-2-hold-interest-rates-175-0