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Banco de la República's board of directors (BDBR) in its meeting on March 26 held the benchmark interest rate at 1.75%. The unanimous decision to maintain an expansive monetary policy position takes into account the following considerations:

- Annual inflation to February was below the BDBR's target at 1.56%. Year-end inflation expectations remain stable, averaging 2.7% and 3.1% for 2021 and 2022, respectively.
- Growth forecasts for this year have been revised upward; the Bank's technical staff now projects a preliminary figure of 5.2%.
- Labor market indicators continue to be very weak, with the unemployment rate in January reaching 17.3%.
- The financial system continues to provide 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. However, factors including a recent increase in medium- and long-term interest rates on international financial markets suggest that conditions have tightened on the margin.

The decision to hold interest rates was based in large part on the BDBR's confidence that Colombia's Congress will approve a fiscal adjustment program sufficient to provide a return to economic growth and put the public finances back on a sustainable path.

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