Economic recovery process continues in the regions

Economic recovery process continues in the regions  Bogotá

(Bogotá D.C., Cundinamarca)

In the third quarter of 2021, the economy of the Bogotá-Cundinamarca region continued to recover based on the results of sector indicators in industry, commerce, construction, and transportation. The return to normalcy in most activities and the reactivation of consumption boosted the production and marketing of goods and services as well as foreign trade, in an environment of adverse weather conditions in the country and logistical challenges in the global supply chain for the supply of raw materials. The unemployment rate improved, although it remained at double-digit levels, and inflation registered upward pressure, especially in food.

 Northeast

(Arauca, Boyacá, Norte de Santander, Santander)

The Northeast economy grew in the third quarter of 2021 although at a slower pace than in the previous period due to the gradual disappearance of the comparison base effect. Strong domestic demand drove the good performance of retail sales, industrial production and the livestock subsector while external demand and high international prices favored exports. Meanwhile, building construction and new home sales grew at a more moderate pace. The recovery of the labor market continued, but without restoring pre-pandemic levels. At the same time, consumer inflation rose and, in two of the region's departments, it was above *Banco de la República* ’s target

 Coffee Region

(Caldas, Quindío, Risaralda)

In the third quarter of 2021, most of the economic activity in the *Eje Cafetero* showed an annual increase compared to the same period of the previous year. The production and real sales of industry, non-regulated energy consumption and transportation and, in commerce, the balance of sales, vehicle and motorcycle registrations, and hotel occupancy were highlighted. In foreign trade, manufacturing and coffee exports stood out. In contrast, construction declined with a smaller area approved and under construction, and this added to the drop in new housing sales. In addition, loans in the financial system fell slightly and improved on previous results while, in the agricultural sector, agricultural supplies and slaughter of cattle declined. Last of all, the unemployment rate in the three capitals in the region continued to improve while the rate of inflation rose.

 Northwest

(Antioquia, Chocó)

The economy of the Northwestern region continued to perform well in the third quarter of 2021 as an annual increase compared to the same period during the previous year was registered. Despite a lower comparative base effect that was reflected in the easing of the expansion rate, the momentum of reopening the economy due to improvements in the control of the pandemic was notable. In this respect, increases in industrial production,

retail sales, hotel occupancy, and transportation stood out. On the other hand, construction and the agricultural and livestock sector indicators generally slowed down. Meanwhile, exports, imports, and remittances grew in the external sector with the latter two doing so at record levels. Finally, unemployment fell in Quibdó and Medellin although, in the latter, it continues to be higher than pre-pandemic levels. Inflation also rose there and stood above *Banco de la República's* target.

● Southeast

(Amazonas, Casanare, Guainía, Guaviare, Meta, Vaupés, Vichada)

During the third quarter of 2021, the Southeast region saw favorable results in the vast majority of economic sectors. Growth was registered in all variables related to construction and commerce including hotel occupancy. There was also progress in transportation, especially in air travel, as well as in the financial system and Finagro-approved loans. Remittance income also grew along with signs of recovery in foreign trade. Unemployment, in turn, showed a decline and inflation remained on the upward trend it had been showing in previous months.

● Caribbean Coast

(Atlántico, Bolívar, Cesar, Córdoba, La Guajira, Magdalena, San Andrés y Providencia, Sucre)

In the third quarter of 2021, the economy in the Caribbean region showed an annual increase compared to the same period during the previous year that was largely attributed to the comparative base effect generated by the measures taken to contain the effects of the COVID19 pandemic. This performance was reflected in all of the economic activities analyzed with notable progress in industry that was driven, in particular, by the subsector of chemical, pharmaceutical, rubber, and plastic substances and products. Particularly, domestic trade and hotel occupancy also increased significantly. The financial system grew because of the growth in deposits given the sluggishness seen in loans. The foreign sector made progress due to the positive performance of both exports and imports while remittances set an all-time record. Finally, unemployment continued to decline while inflation remained on an upward trend.

● Central Region

(Caquetá, Huila y Tolima)

During the third quarter of 2021, the economy of the Central region maintained the reactivation process notwithstanding the incidence of the comparison base effect due to the pandemic. With the observed dynamics, favorable results were registered in the indicators for the construction sector and domestic trade as well as in transportation and financial intermediation services. In contrast, there were declines in the agricultural sector, particularly in agricultural supply, egg production, and chicken slaughter, while the cattle slaughter increased. The balance of foreign trade showed an increase in exports and imports as well as in remittances. Finally, with the economic reactivation, the unemployment rate was significantly reduced due to the supply of new jobs while the various supply shocks have placed inflation above the monetary policy target.

● Southwest

(Cauca, Nariño, Putumayo, Valle del Cauca)

The Southwestern economy recovered in the third quarter of 2021 based on the performance of follow-up activities after it had slumped due to road blockades. The rise in manufacturing output was important in replacing inventories that had been depleted in trade during the previous quarter. Trade, in turn, expanded at

significant rates and helped to regain the jobs lost during the pandemic. In addition, remittance inflows from abroad intensified the recovery of economic activity and, together with the growth in mortgage credit disbursements, stimulated the improved performance of the real estate market. Inflation continued to rise, partly due to the increase in the implicit prices of raw materials and other imported materials for the region's productive apparatus while employment reactivated in line with the economic recovery.

Fuente: https://www.banrep.gov.co/en/economic-recovery-process-continues-regions