Banco de la República’s Board of Directors raise the benchmark interest rate by 150 basis points (bp), taking it to 9.0%

Banco de la República’s Board of Directors raise the benchmark interest rate by 150 basis points (bp), taking it to 9.0%
Six board members voted in favor of this decision and one voted for a 100 basis point increase.

The decision was based on the following considerations:

- The annual inflation rate registered a new increase, moving from 9.1% in May to 9.7% in June. Core inflation excluding food and regulated items increased from 5.9% to 6.1% in the same period.
- Inflation expectations continue to rise. The monthly survey of economic analysts conducted by the Banco de la República found that, between June and July, expected inflation for 2022 increased from 8.6% to 9.2%, and for 2023 from 4.7% to 5.2%, according to the sample median.
- Excess demand remains as economic activity continues strong. For 2022, the technical staff revised the growth forecast upward, from 6.3% to 6.9%.
- World inflation continues rising and has become more persistent as, concurrently, fears of a global recession have generated large volatility in financial markets.

With the decision adopted in today's session, the Board of Directors continues the monetary policy adjustment process that ensures a return to the 3% inflation target in the medium term. To this end, it will make the decisions it deems necessary, based on new information available.

Rueda de prensa

Fuente: https://www.banrep.gov.co/en/banco-republicas-board-directors-raise-benchmark-interest-rate-150-basis-points-bp-taking-it-90