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In their policy discussion, the Board of Directors took the following factors into account:

- Both headline inflation (13.1%) and core inflation – excluding food and regulated items – (9.5%) continued their upward trend in December and reached levels higher than those estimated by the technical staff and market analysts. The surge in inflation was due to upward pressure on food prices, indexation at high inflation rates, and the cumulative effects of the depreciation of the peso along with other factors. In line with this, inflation expectations rose over the last month.
- Leading indicators point to a slowdown in economic activity beginning in the fourth quarter. The Economic Monitoring Indicator (ISE) registered an annual change of 2.9% in November, which was lower than October's 4.4%. Nevertheless, economic activity levels remain high, and therefore, 8.0% GDP growth is estimated for 2022. For 2023, the technical staff is forecasting 0.2% in GDP growth.
- Headline inflation has declined as a result of the monetary policy tightening process and the mitigation of supply shocks on shipping costs and international prices of some food and energy products. The improved foreign environment and confidence in Colombia's fiscal outlook have been reflected in a decline in the COP/USD exchange rate.
- The pace of credit growth has slowed, which favors a moderation in domestic demand, and therefore inflationary pressure in 2023.

With today's decision, monetary policy is close to the stance required to induce a convergence of inflation toward its 3.0% target in the medium term. Subsequent decisions by the Board will depend on the new information available.

Fuente: https://www.banrep.gov.co/en/news/press-releases-minutes/board-directors-27-january-2023