Regional Economic Bulletin (BER): Economic Performance in Eight Regions at the End of 2022

Regional Economic Bulletin (BER): Economic Performance in Eight Regions at the End of 2022 Bogotá

(Bogotá D.C., Cundinamarca)

In the last quarter of 2022, the economy of the Bogota region (Bogotá and Cundinamarca) showed a lower annual growth rate, despite the increase in year-end activities after overcoming COVID-19 restrictions. The trade, industry and construction sectors reduced their dynamism affected by imbalances in the supply chains, the depreciation of the exchange rate, and high levels of inflation and transportation costs; in addition to the effects of the strong winter wave and the war in Ukraine. Transportation, on the other hand, maintained its good performance, particularly seasonal passenger traffic. In foreign trade, exports decelerated, while imports contracted. Finally, the unemployment rate showed a better performance, while inflation remained at high levels.

Northeast

(Arauca, Boyacá, Norte de Santander, Santander)

In the fourth quarter of 2022, the economy of the Northeast experienced annual growth as a result of the demand that continued to drive industry, commerce, and transportation; however, commerce and transportation showed a significant deceleration in their dynamics, particularly since the third quarter. On the other hand, unfavorable results persisted in the agricultural and construction sectors; in agriculture due to the prolonged winter season, which negatively affected short-cycle crops, and in construction due to a drop in cement deliveries and a slowdown in new area under construction, as well as an increase in the paralyzed area. Finally, the performance of domestic demand was aligned with a labor market that maintained improvements in the number of employed and formal workers, while inflation continued at double digits, affected by food again. Cúcuta had the highest inflation in the region and in the country.

Eje Cafetero (Coffee Region)

(Caldas, Quindío, Risaralda)

In the fourth quarter of the year, the economy of the Eje Cafetero (Coffee Region) remained positive but prolonged its deceleration. Domestic and foreign demand continued to grow, particularly for non-durable goods. Thus, the sales of the region's companies increased with respect to the previous year, including exports, which partly stimulated Risaralda's industrial production. Meanwhile, the construction of buildings reported an increase in the caused area, despite the drop in the sale of new housing, accompanied by the sharp decline in mortgage disbursements. At the same time, the agricultural sector had a negative performance. Finally, in the three cities of the region, consumer inflation remained at high levels, while the employment rate increased compared to the end of 2021, which in turn influenced the lower unemployment in Manizales and Pereira.

Northwest

(Antioquia, Chocó)

For the fourth quarter of 2022, economic activity in the Northwestern region showed a slowdown in annual growth, according to available information. This performance is attributed to a greater extent to the weakening of demand in the face of high inflation, interest rate hikes, and high production costs. On the one hand, the increase in sales and industrial production, as well as hotel occupancy, moderated. Meanwhile, retail sales declined, as did most of the components of the agricultural sector. In construction, the area under construction and concrete deliveries grew, but licensing slowed down and new housing sales fell. On the foreign front, both exports and imports declined. The labor market improved significantly in Medellín, but deteriorated in Quibdó, while inflation in the capital of Antioquia continued at historically high levels.

● Southeast

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

During the fourth quarter of 2022, the Southeast region registered dissimilar performance among the economic sectors monitored. It is worth highlighting the annual growth in agricultural activity in important areas such as rice production, livestock slaughtering, and pork production, although there was a reduction in terms of provision. Transportation, particularly air passenger transportation, and hotel occupancy also grew. In contrast, construction activity continued to deteriorate, with a drop in the area under construction and cement dispatches, although the approved area grew. Trade continued to be negative, according to sales expectations, as did vehicle sales. In foreign trade, exports grew, driven by operations in Meta, while imports decreased. At the same time, in Villavicencio, the unemployment rate rose, and inflation was higher than the national result.

● Caribbean Coast

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

During the fourth quarter of 2022, economic activities in the Caribbean region grew in annual terms; however, they slowed their pace. The favorable side was driven by advances in industry, external sales, and transportation, particularly passenger transportation. To a lesser extent, domestic trade and construction activity grew with an increase in the area built, although with a drop in the sale of new housing. In contrast, there were reductions in the agricultural sector in several of its areas, combined with a scenario of increased credit disbursements for this activity. Meanwhile, the labor market continued its recovery, with an increase in employment levels and a reduction in unemployment, while consumer inflation maintained its upward trend, remaining above the national average. ● Center

(Caquetá, Huila y Tolima)

During the fourth quarter of 2022, the Central region's economy continued to decelerate, and some indicators fell in annual terms. Domestic demand continued to grow, and the reactivation of tourism continued, leading to increased passenger traffic. Meanwhile, the agricultural and industrial sectors turned slightly negative, partly due to excessive rains and high input costs, which reduced the availability of raw materials. In contrast, in construction, there was a slight increase in the caused area, while the sale of new housing declined, partly attributed to lower mortgage disbursements due to high interest rates, greater uncertainty, and rising prices. Finally, inflation in the region's capitals continued to rise, above the national average, while the occupancy rate fell in Ibagué and Neiva.

● Southwest

(Cauca, Nariño, Putumayo, Valle del Cauca)

In the fourth quarter of 2022, economic activity in the Southwest recorded annual growth, although with lower dynamics compared to previous quarters. On the one hand, the best results were observed in the manufacturing industry and agricultural credit disbursements by Finagro (the Agricultural Sector Financing Fund) to stimulate this sector, whose supply was again affected by the intensity of rainfall and the high cost of inputs. On the other hand, there were reductions in real sales of domestic trade, including new vehicles, transportation, construction of buildings, and new housing sales. The reduction in new housing sales was due to the exhaustion of subsidies to buyers and higher financing caused by high inflation (indexed credits to the CPI) and monetary policy rates. Finally, the unemployment rate closed lower in the three capital cities of the region, while inflation was high because of the tripling of the prices of the food basket, followed by the cost of public services and fuel.

Fuente: https://www.banrep.gov.co/en/news/ber-economic-performance-eight-regions-end-2022