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In its policy discussion, the Board considered the following elements:

- Inflation in January and February exhibited lower monthly increases than those observed throughout 2022. Annual food inflation started 2023 exhibiting progressive declines that placed it at 24.1% in February, a figure significantly below the one for December 2022 (27.8%). These results suggest that the inflation rate is approaching its ceiling, from which the expected decrease for 2023 would start taking place.
- Inflation expectations are beginning to incorporate this positive news about the recent behavior of inflation. The survey to economic analysts conducted by *Banco de la República* in March showed that 12-month inflation expectations fell from 7.7% in January to 7.2% in March for the median of the sample. Something similar was observed for the corresponding 24-month expectation, which dropped from 4.5% to 4.0%.
- The economic monitoring index (ISE) registered an annual variation of 5.8% in January, higher than in December 2022 (1.2%) and than the figure expected by the technical staff (3.2%). The technical staff increased its GDP growth forecast for 2023 from 0.2% to 0.84%. Despite this upward revision, economic activity is still characterized by a significant slowdown.
- Between January and March, volatility in international markets has been exceptional due to financial stability problems in the United States and in some European countries. This situation has added uncertainty about the evolution of global economy, but its effects on the Colombian economy have been limited.

With the decision made at today’s session, monetary policy maintains its goal of driving inflation toward the 3.0% target. Future decisions by the Board will depend on the new information available.

Fuente: https://www.banrep.gov.co/en/news/press-releases-minutes/board-directors-30-march-2023