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AUTHOR OR EDITOR

Departamento de Estudios de Política Económica DEPE-SGEE

Fernando Arias-Rodríguez

Luis Ignacio Lozano-Espitia

Clark Granger-Castaño

Diego Vásquez-Escobar

Carmiña Ofelia Vargas-Riaño

Norberto Rodríguez-Niño

Andrés Mauricio Sánchez-Jabba

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Abstract

This paper analyses the behavior of household consumption in Colombia during Covid-19 post pandemic. Initially, it introduces a regional comparison emphasizing in the severity of lockdown and the government fiscal responses. Then, it describes the dynamics of the main consumption baskets and expenditure items. The paper focuses on the main macroeconomic determinants of consumption, emphasizing in the available income of households, their savings and wealth, the real interest rate and credit, the remittances and monetary transfer from government. The paper also provide evidence about days without VAT. Among the results is highlighted the exceptional rebound in consumption between 2021 and 2022, benefited by all these factors. Finally, a slowdown in consumption is projected for 2023, driven in part by the reversal of its main determinants among other factors.