Box 3: Energy demand as an indicator of industrial activity in Colombia - Monetary Policy Report - January 2025

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The activities and operations of an industrial company rely largely on energy sources such as electricity and gas, in addition to other elements, including raw materials and labor. Manufacturing operations are the primary consumer of multiple energy sources within the industry sector, whereas administrative and operational procedures are secondary consumers. Therefore, the analysis of the industry’s energy consumption is a proxy indicator of the real behavior of its activity level, providing noteworthy signals of the sector’s economic momentum. For Colombia, the availability and timeliness of electricity and gas information enable the generation of industrial indicators with a less lag compared to offcial statistics, such as DANE’s industrial production index (IPI), thereby facilitating the monitoring of trends and the evolution of the sector in the country.

Energy demand indices (EDI) were constructed to provide timely information refecting Colombia’s industrial activity by combining electricity and gas consumption data into a single monitoring indicator.1 The geographic and sectoral disaggregation of the data facilitates the construction of indicators with countrywide and department-level coverage. A general indicator of industrial energy demand is calculated for each coverage level, while others focus specifcally on manufacturing energy demand (excluding petrochemicals and refneries).

This Box explains the relevance of electricity and gas consumption as inputs to monitor industrial activity, offers an overview of energy components in Colombia, and outlines the methodology and results of the EDI.

Fuente: https://www.banrep.gov.co/en/publications-research/monetary-policy-report/box-3-january-2025