

[Working Paper No. 545](#)

Tenga en cuenta

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

José Eduardo Gómez G.

Paola Morales Acevedo

In this paper we find empirical evidence of bank lending channel for Colombia, using a balanced panel data of about four thousand non-financial firms. We find that increases in the interest rate, proxied for the monetary policy instrument, lead to a reduction in the proportion of bank loans, out of total debt, of the firms. This bank lending channel amplifies the effect of the traditional interest rate channel, which leads to a reduction in total debt and spending when monetary policy tightens. Our result agrees with, and complements, those obtained by Gómez González and Grosz (2007), who provide evidence of the existence of a bank lending channel in Colombia using bank-specific financial variables.

The series Borradores de Economía is published by the Economic Studies Department at the Banco de la República (Central Bank of Colombia). The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.