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Banco de la República's board of directors (BDBR) in its meeting on April 30 voted 6-1 to hold the benchmark interest rate at 1.75%. This majority decision was based on the following considerations:

- The technical staff's central GDP growth forecast for 2021 was revised upward from 5.2% to 6%, driven by better-than-expected economic performance in the first quarter. However, additional outbreaks of COVID-19 of unknown intensity and duration, as well as uncertainty surrounding fiscal conditions, could affect this projection.
- Total annual inflation at the end of March was 1.51%, while inflation excluding food and regulated items was 0.94%. Both market expectations and the technical staff's inflation forecast are in line with a convergence to the 3% target in 2021 and 2022.
- Colombia's national statistics agency (DANE) registered the overall national unemployment rate in March at 14.2%, alongside a monetary poverty rate of 42.5% for 2020. This high level of unemployment and rising poverty rate provide grounds for the current, historically low policy interest rate.
- International financial conditions continue to be loose but are likely to grow less favorable as the result of a highly expansive fiscal policy in the United States.
- Public financing costs and access could become compromised without an adequate fiscal adjustment, an outcome that would limit the space for monetary policy to continue supporting recovery in economic activity and employment.

In considering these circumstances and the general balance of risks, the BDBR voted 6-1 to hold the benchmark interest rate at 1.75%, with one dissenting vote in favor of a 25-basis point reduction.

Trasmisión en tiempo real de la rueda de prensa que se hace inmediatamente termina la reunión de la Junta Directiva. En esta trasmisión se informan la decisiones de política monetaria a través de la lectura del comunicado de prensa y las respuestas a las preguntas que los medios de comunicación formulen de manera virtual a los voceros.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/banco-republicas-board-votes-6-1-hold-interest-rates-175