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The board voted 5-2 to raise the benchmark interest rate to 5.0%; two board members voted for a 150-basis point increase.

The decision was based on the following considerations:

- Headline inflation continued on an upward trajectory, rising by 8.01% in annual terms in February. Food prices in particular increased in annual terms by 23.3%. Inflation excluding food and regulated items rose from 2.49% annually in December 2021 to 4.11% in February.
- The Russian invasion of Ukraine could intensify upward pressures on international prices for some agricultural goods and inputs, energy, and oil. Diverse indicators of expected inflation have continued to rise in this context. Banco de la República's monthly survey of economic analysts suggests expected headline inflation of 6.4% in 2022 and 3.8% in 2023.
- The most recently available data points to dynamic economic performance in the beginning of this year. The monthly economic tracking indicator (ISE) signaled annual growth of 7.8% in January. The Bank's monthly commercial and industrial survey suggested manufacturing growth of 15.1% in annual terms in January, while real commercial retail sales increased by 20.9%. The unemployment rate fell from 15.1% in February 2021 to 12.9% in February 2022. The technical staff revised its growth forecast for 2022 upward from 4.3% to 4.7%, suggesting that excess productive capacity in the economy should continue to close at a faster rate than previously expected.
- With this decision, Colombia's monetary policy authority has reiterated its commitment to the 3% annual inflation target.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/banco-republicas-board-directors-bdbr-raises-interest-rates-100-basis-points-0