

# Banco de Bogotá Unveils Economic Outlook for Colombia in 2024

*Colombia's economic activity data suggests a weakening trend, particularly in sectors outside of services. A rise in the unemployment rate is concerning.*

BOGOTÁ, COLOMBIA, December 28, 2023 /EINPresswire.com/ -- Banco de Bogotá, one of the leading banks in Colombia, presented its comprehensive analysis 2023 and projections for the year 2024.



Camilo Pérez-Álvarez, Director of Economic Research and Market Analysis at Banco de Bogotá

According to Camilo Pérez-Álvarez, Director of Economic Research and Market Analysis at Banco de Bogotá, the ongoing debate revolves around the uncertainty surrounding global interest rates. While the market anticipates interest rate cuts by the Federal Reserve, Banco de Bogotá considers this scenario unlikely in the first quarter. It is anticipated that rate adjustments will materialize in the second or third quarter, potentially inducing market volatility but maintaining an overall favorable environment for assets.

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*Camilo Pérez-Álvarez, Banco de Bogotá*

Simultaneously, economic activity data in Colombia highlights a weakening trend, especially in sectors beyond the realm of services. The industrial sector faces reduced demand, leading to a decline in capacity utilization and pessimistic outlooks for business owners. The construction industry grapples with an imbalance between declining demand and an oversupply, while the agricultural sector

exhibits improvements, predominantly driven by the coffee industry.

In the labor market, the repercussions of economic deceleration are already visible, characterized by a dwindling number of employed individuals and an escalating unemployment rate.

In terms of inflation, while the prevailing trend remains favorable, there are conspicuous risks on the horizon. In the short term, we anticipate tariff adjustments in the energy sector, a residual price correction in health-taxable food items, and potential price adjustments in gasoline and/or diesel. The determination of the minimum wage will also exert influence on indexed prices.

The landscape for Banco de la República is growing increasingly intricate, with a fragile economic landscape and persistently high inflation, albeit showing signs of improvement. The interest rate decision in the final meeting of the year promises to be a challenging one and could culminate in a closely contested outcome.

Camilo Pérez-Álvarez, Director of Economic Research and Market Analysis at Banco de Bogotá, expressed his viewpoint, stating, "Our Economic Research team anticipates interest rate stability, with reductions likely in the forthcoming months. At present, any rate reduction cycle would be characterized by modest adjustments, as indicated by the majority of central bank co-directors."

In the realm of projections, the Economic Research and Market Analysis team offers the following insights:

Gross Domestic Product (GDP) 2023: 1.0%, 2024: 1.1%

Inflation 2023: 9.3%, 2024: 6.0%

Reference Rate (BR) 2023: 13.25%, 2024: 9.00%

Exchange Rate 2023: \$3950, 2024: \$3850

Banco de Bogotá reaffirms its unwavering commitment to the economic development of the nation and will remain vigilant in monitoring global events to adeptly respond to any shifts in the economic and financial landscape.

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