

Economics Colombia

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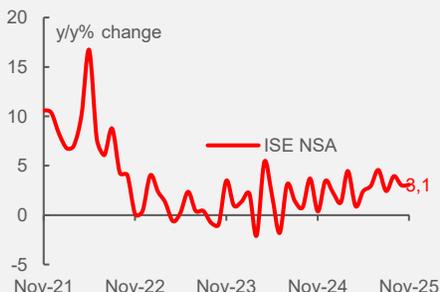
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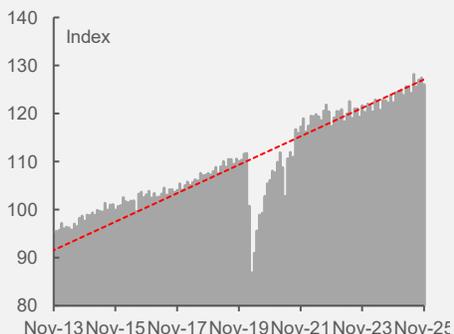
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Chart 1. Economic Activity Indicator- ISE



Sources: DAVIbank Economics, DANE.

Chart 2. Economic Activity Indicator ISE SA



Sources: DAVIbank Economics, DANE.

Colombia: November Economic Activity Slightly Undershoots Market Expectations.

On Friday, January 23, DANE released the Economic Activity Indicator (ISE) for November. The indicator showed a year-over-year (y/y) increase of 3.1% (Chart 1), slightly below Bloomberg's survey (3.8% y/y). Six out of the nine sectors included in the index posted positive annual variations. Seasonally adjusted figures reflected a 3.0% y/y expansion in economic activity. On a monthly basis, activity decreased by 1.1% m/m (seasonally adjusted).

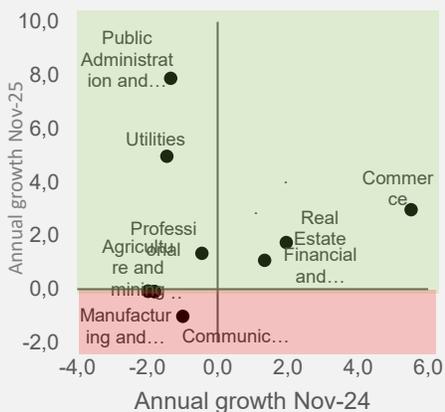
The services sector drove nearly all the positive performance, contributing 3.0 percentage points (pps) to overall economic growth. Public administration and leisure expanded by 7.9% y/y, adding 2.0 pps. This was followed by utilities, which grew 5.0% y/y, adding 0.2 pps, and commerce, transportation, and housing, which grew 3.0% y/y and contributed 0.6 pps. In contrast, primary and secondary activities posted negative results. Agriculture and mining contracted by 0.1% y/y, subtracting 0.01 pps from overall growth, while manufacturing and construction also declined by 0.1% y/y (-0.01 pps). Additionally, the communications sector continued to underperform, falling 1.0% y/y and contributing a negative 0.03 pps to headline activity.

So far this year, the Colombian economy has grown 2.9%, with private consumption remaining the dominant growth driver. Strong remittances and a favorable FX environment—3.4% COP appreciation at the start of 2026—continue to support demand. However, the 23% minimum wage hike for 2026 is likely to add inflationary pressure and trigger a tighter monetary stance, potentially slowing growth ahead. In our updated forecast (see Spanish only report [here](#)), we anticipate the central bank raising the policy rate to 12.00% by end 2026, initiating the cycle with a 50bps hike in January.

Key highlights:

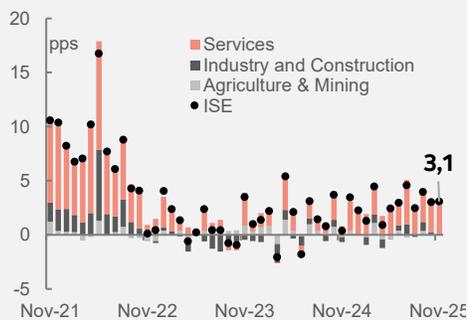
- **The primary sector showed a slight deceleration in November, with agricultural and mining activities falling 0.1% y/y and subtracting 0.01 pps from overall economic performance.** This weakness was primarily driven by mining, which has remained on a negative trend and recorded a further decline in coal production. These dynamics contributed to a 25.9% y/y drop in mining exports during the month. In contrast, agricultural exports surged by 19.8% y/y, while the supply of agricultural products increased 4.8% y/y but contracted 8.8% m/m in November.
- **Secondary activities fell 0.1% y/y, subtracting 0.01 pps from overall economic growth. However, manufacturing output increased by 0.7% y/y in November.** Within manufacturing, the strongest contributions came from pharmaceutical products (+12.5% y/y), transport equipment (+32.9% y/y), mineral products (+6.0% y/y), and

CHART 3: Economic Activity Indicator by Sector (%)



Sources: DAVIbank Economics, DANE.

CHART 4: Contribution by sector to Economic Activity Indicator (p.p)



Sources: DAVIbank Economics, DANE.

the iron and steel industry (+12.6% y/y). Conversely, the beverage industry (-3.3% y/y), metal products (-12.8% y/y), and paper production (-6.3% y/y) were the main sectors offsetting these gains. In contrast, the construction sector recorded a negative performance during the period. Civil works contributed negatively to overall activity, while home sales declined 15.6% y/y in November. Additionally, both residential and non-residential building construction posted contractions.

- The services sector continued to expand, with six categories posting positive annual variations.** Public administration—which includes education and health services—and leisure activities grew by 7.9% y/y, contributing 2.0 pps, supported by public-sector payments and major cultural events such as concerts and online sports betting. Utilities increased by 5.0% y/y (+0.2 pps), driven by the recovery of water reserves that boosted hydroelectric generation. Commerce and related services—including transportation and housing—also performed well, rising 3.0% y/y and contributing 0.6 pps, with retail sales increasing 7.5% y/y in November. Additional contributors included real estate (+1.8% y/y, +0.1 pps), professional activities (+1.3% y/y, +0.1 pps), and financial and insurance services (+1.1% y/y, +0.1 pps). In contrast, communication services declined 1.0% y/y, subtracting 0.03 pps from overall growth, mainly due to a reduction in communication contracts across several industries.

Macroeconomic forecast DAVIbank Economics Colombia

Forecast	2019	2020	2021	2022	2023	2024	2025pr	2026pr
National Accounts								
Real GDP growth (yearly %)	3,2	-7,2	10,8	7,3	0,7	1,6	2,8	2,9
Domestic demand (y/y. %)	4,0	-7,5	13,4	10,3	-2,5	2,0	4,3	3,3
Consumption (y/y. %)	4,3	-4,2	13,8	9,0	0,6	1,4	4,1	3,8
Private (y/y. %)	4,1	-5,0	14,7	10,8	0,4	1,6	3,6	3,9
Government (y/y. %)	5,3	-0,8	9,8	1,0	1,6	0,7	6,5	3,6
Gross capital formation (y/y. %)	3,0	-20,7	11,6	16,0	-16,0	5,2	5,0	0,8
Exports (y/y. %)	3,1	-22,5	14,6	12,5	3,1	2,5	1,2	1,5
Imports (y/y. %)	7,3	-20,1	26,7	24,0	-9,9	4,4	8,9	3,1
Laboral Market								
Unemployment (%. Average)	10,9	16,7	13,8	11,2	10,2	10,2	9,2	9,8
Balance of Payments								
Trade Balance (USD\$. B)	-14,1	-13,1	-20,0	-16,6	-8,2	-9,77	-12,91	-14,10
Exports (USD\$. B)	51,3	38,2	50,9	73,1	67,8	68,87	69,6	72,6
Imports (USD\$. B)	65,5	51,3	70,9	89,6	76,0	78,63	82,54	86,6
Current account (USD\$ Balance. B)	-15	-9	-18	-21,3	-9,7	-7,412	-10,05	-11,29
Current account (% of GDP)	-4,6	-3,4	-5,6	-6,2	-2,7	-1,8	-2,4	-2,5
Exchange terms (y/y. %)	4,04	-12,62	20,74	5,94	-18,0	-0,7	-1,0	
Prices. Rates & Exchange Rates								
CPI (y/y. %. End period)	3,80	1,61	5,62	13,12	9,28	5,20	5,10	6,34
CPI (y/y. %. Average)	3,52	2,53	3,49	10,15	11,77	6,63	5,14	5,79
CPI without food (y/y. %. End period)	3,45	1,03	3,44	9,99	10,33	5,60	5,11	7,06
COP (\$. End period)	3297	3422	4077	4850	3902	4405	3780	3918
COP (\$. Average)	3281	3694	3766	4254	4322	4153	4050	3924
BanRep's rate (%. End period)	4,25	1,75	3,00	12	13,0	9,50	9,25	12,00
Tax Codes*								
Net Debt of CNG (% of GDP)	48,4	60,7	60,1	57,6	53,4	59,3	61,3	63,0
Primary Balance of CNG (% del PIB)	0,4	-5,0	-3,6	-1,0	-0,3	-2,4	-2,4	-1,4
Deficit of CNG (% of GDP)	-2,5	-7,8	-7,1	-5,3	-4,3	-6,8	-7,1	-6,2

*Source: MTFF 2025.

Source: DAVIbank Economics Colombia.

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