

MAIN RESULTS

2017 started with a quieter national scenario, due to the approval of tax reform which will guarantee incomes to the national government. The main economic indicators of the country show a GDP growth 2,6% projected to the current year and overcoming 2017.

In that way, it is expected to normalize the climate effect that was conclusive in previous years, affecting mainly the food group, which means that inflation in the following months will tend to diminish and as consequence it could be expected decreases in intervention rates that apply the Banco de la Republica to the financial system in Colombia.

Even though, it can be observed a better environment, it is still reflected a reduction in commercial activity and consumer confidence index which is at negative levels.

In terms of local economy, labor market has responded positively in 2017 although a mild increase in employment rate calculated to the mobile quarter of February. Inflation continued dropping, but there is still a reduction in commercial flow and specially less dynamic in the approval of new projects of construction which has moved simultaneously to the less value placement of new mortgage credits.

It could be concluded that still exist figures, specially in entrepreneurial activity that show some signs of deterioration due to the effect that caused events such as "El Niño" phenomenon and the escalating rates of interest in previous periods.

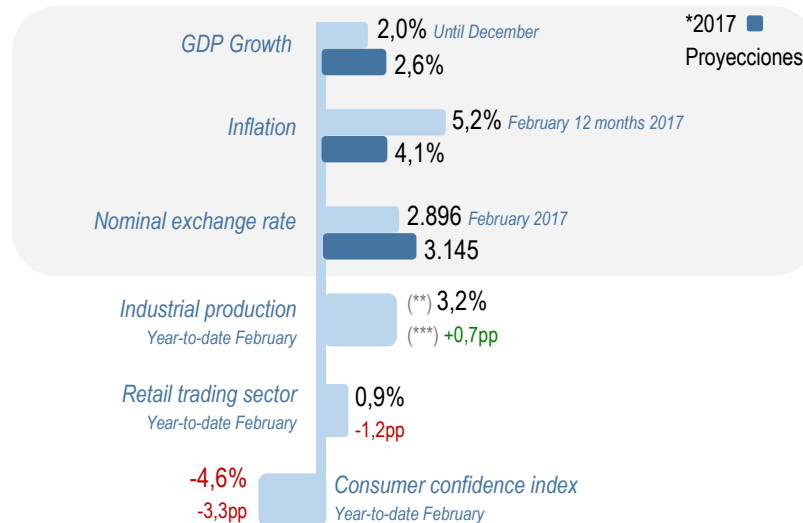
Notes: (*) Figures according to the survey " Macroeconomic projections of local and foreign analysts of the bank of the republic until III quarter.

(**) Growth compared to the same period the previous year.

(**) Difference in percent points compared to the one registered the previous year.

Sources: Dane, Bank of the Republic, Chamber of Commerce of Bucaramanga, Aerocivil, Cotelco.

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