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Latam Daily: High Commodity Prices Boost Colombia's Exports

- Colombia: Exports increased 43% y/y in February on higher commodity prices

COLOMBIA: EXPORTS INCREASED 43% Y/Y IN FEBRUARY ON HIGHER COMMODITY PRICES

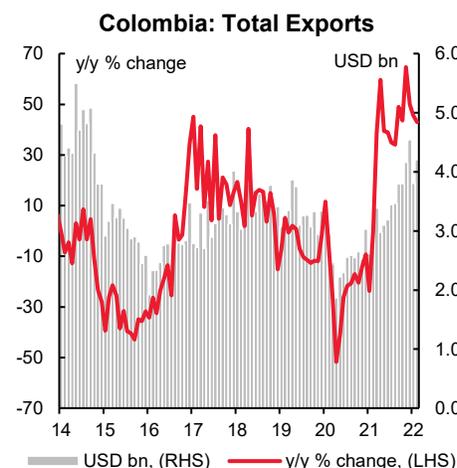
According to data released by the DANE statistical agency on Wednesday, April 6, exports totaled USD 4.20 bn in February, up 43% y/y (chart 1). Export growth reflected continuing strength of traditional (commodity) exports, which expanded by 56.8% y/y. Non-traditional exports also expanded robustly (27.8% y/y), led by manufacturing products and flowers.

- Traditional exports were up 56.8% y/y in February (chart 2), reflecting higher international commodities prices that offset the contraction in exported volumes in coal and coffee. Oil exports expanded by 76% y/y, with an increase of 22.6% y/y in metric tonnes. Coffee and coal exports increased 42.5% y/y and 26.9% y/y, respectively, as better prices more than offset declines in the quantities exported, which fell -10.8% y/y and -38.7% y/y, respectively.
- The value of non-traditional exports was USD 1.38 bn in February, rebounding from January's figure of USD 1.38 bn and increasing 27.8% y/y (chart 2 again). Manufacturing exports drove the overall advance in non-traditional goods exports with an expansion of 29.8% y/y on the back of diverse manufacturing goods (48.6% y/y) and machinery, transport, and equipment (57.0% y/y). However, February also saw a strong contribution from flowers exports (+68.6% y/y) and palm oil (+183.2% y/y).

All in all, buoyant exports reflect higher commodity prices. Increased volumes of oil exports from one year ago is good news, especially as the volume of coffee and coal continued to contract. Non-traditional exports also are contributing positively, reflecting the recovery in external demand. That said, the current account deficit remains high as imports are also increasing robustly and have likewise experienced higher international prices. However, the price of Brent oil above the budget assumption (USD 70 per barrel average in 2022) represents a windfall of higher government revenues.

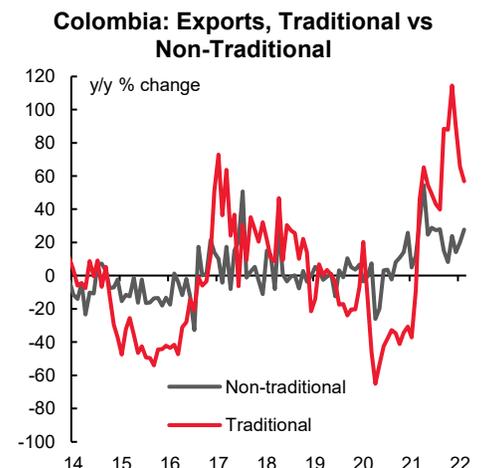
—Sergio Olarte & Jackeline Piraján

Chart 1



Sources: Scotiabank Economics, DANE.

Chart 2



Sources: Scotiabank Economics, DANE.

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