Box 3: How to explain the increase in inflation between July 2014 and June 2016 by looking at the different CPI components?

Box 3: Inflation Report June 2016 Keep in mind
The Monetary Policy Report presents the Bank's technical staff's analysis of the economy and the inflationary situation and its medium and long-term outlook. Based on it, it makes a recommendation to the Board of Directors on the monetary policy stance. This report is published on the second business day following the Board of Directors' meetings in January, April, July, and October.

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One way to explain the rise in inflation from 2.89% in July 2014 to 8.60% in June 2016 is to analyze the contribution from each component of the CPI. This period was selected because it was when the peso began to depreciate sharply against the dollar. During that period the exchange rate increased from COP 1,858.5 per dollar in July 2014 to COP 3,357.5 in February 2016, followed by a decline to COP 2,991.7 in June. However, it is important to point out that this method is a partial analysis, as it does not consider second round effects. It cannot be interpreted as a cause-effect approximation.

Fuente: https://www.banrep.gov.co/en/publications/inflation-report/box-3-how-to-explain-the-increase-in-inflation-between-july-2014-and-june-2016-by-looking-at-the-different-cpi-components