Essays on Economic Policy (ESPE in Spanish) - Exchange Rate Pass - Through to Domestic Prices: the Case of Colombia

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The relatively large depreciation of the Colombian peso to the US dollar during 2002 has posed a challenge for Colombian monetary policy. From end-2001 to end-2002 the USD/COP rate of exchange depreciated by some 20.0 percent,1 while consumer prices during the same period increased by 7.0 percent and producer prices by 9.3 percent. If not countered by the right monetary policies, such a rate of depreciation could easily transform into higher inflation.

Fuente: https://www.banrep.gov.co/en/node/16455