New BANREP´s classification of the CPI basket and revision of core inflation measures in Colombia

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Publication Date: Friday, 24 of July 2020 Abstract
This paper proposes an update of the CPI disaggregations that Banco de la República implements and analyzes regularly. This new classification contributes to the timely identification of different inflationary pressures, it stands in accordance with international practices, it is compatible with the Classification of Individual Consumption According to Purpose (COICOP) and it facilitates international comparability and communication by the monetary authority.

Additionally, the core inflation indicators monitored by Banco de la República are evaluated. The performance of the current measures and new ones is studied based on 10 criteria, or desirable characteristics, that the underlying inflation measures must satisfy, and an update of the indicators currently monitored by the Banco de la República technical team is presented. The four measures of core inflation currently monitored by the Banco de la República still have a good performance. However, those measures are replaced by three new measures, according to the recent changes in the CPI basket, which facilitates the communication process by being aligned with the COICOP structure and with the proposed new classification.

Fuente: https://www.banrep.gov.co/en/new-banreps-classification-cpi-basket-and-revision-core-inflation-measures-colombia