

[Descargar](#)

[Otros Borradores de Economía](#)

Autor o Editor

Davinson Stev Abril Salcedo

Luis Fernando Melo-Velandia

Daniel Parra-Amado

The series Borradores de Economía (Working Papers on Economics) contributes to the dissemination and promotion of the work by researchers from the institution. On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. This series is indexed at Research Papers in Economics (RePEc).

Fecha de publicación

Monday the 29th of July, 2019

The opinions contained in this document are the sole responsibility of the authors and do not commit Banco de la República or its Board of Directors

ABSTRACT

Extreme weather events, like a strong El Niño (ENSO), affect society in many different ways especially in the context of recent globe warming. In the Colombian case, ENSO had a significant impact on consumer food prices during the strongest event in 2015-16. Our research evaluates the relationship between ENSO and Colombian food inflation growth by using a smooth transition non-linear model. We estimate the impacts of a strong ENSO on food inflation growth by adopting Generalized Impulse Response Functions (GIRFs) and the results suggest that the weather shocks are transitory and asymmetric on inflation. A strong El Niño shock has a significant effect on the food inflation growth from six to nine months after the shock and the accumulated elasticity is close to 465 basic points. We build the GIRFs for eight different episodes associated with a strong El Niño in the period corresponding from March 1962 to December 2018 and there is no evidence of changes in the size of Colombian food inflation growth responses over time.