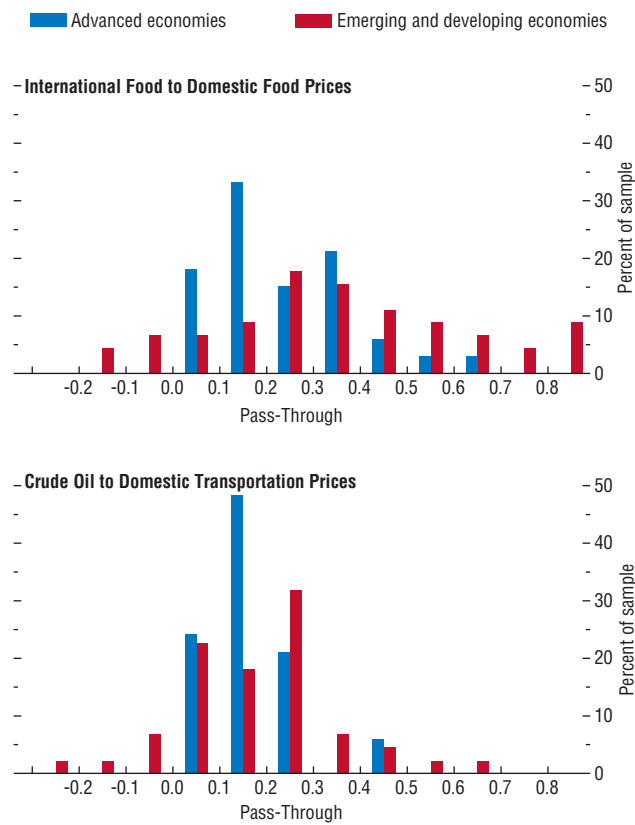


Figure 3.4. Pass-Through from World Inflation to Domestic Inflation

The pass-through of international food inflation to domestic food inflation is higher in emerging and developing economies than in advanced economies, and both are on average generally higher than the pass-through from crude oil to domestic transportation inflation.



Sources: Haver Analytics; and IMF staff calculations.

Note: The pass-through from international to domestic inflation is estimated using country-by-country bivariate regressions. The pass-through is calculated as the sum of coefficients on the current value and 12 lags of the international variable divided by 1 minus the sum of coefficients on the 12 lags of the domestic variable.