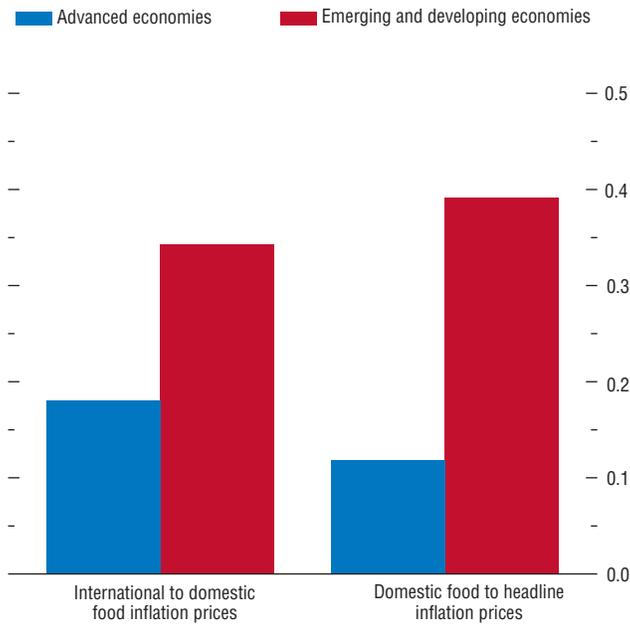


Figure 3.9. Pass-Through from International to Domestic Food Price Inflation

The pass-through from international food inflation to domestic food inflation and from domestic food inflation to headline inflation is higher in emerging and developing economies than in advanced economies.



Source: IMF staff calculations.

Note: Estimates of pass-through from international to domestic food price inflation are from Figure 3.4. Estimates of the pass-through from domestic food prices to headline inflation are obtained by regressing headline inflation on lags of itself and current and lagged values at domestic food inflation. To control for endogeneity, domestic food price inflation is instrumented by inflation in the international food price index expressed in domestic currency. The reported result is the median of country-by-country regressions.