

EXAMINING THE EFFECT OF OIL PRICE PASS-THROUGH ON THE DOMESTIC PRICES: ASYMMETRIC VERSUS SYMMETRIC ADJUSTMENT MODELLING

(Memeriksa Kesan Penembusan Harga Minyak Terhadap Harga Domestik:
Pemodelan Pelarasan Tak Simetri Langsung lawan Simetri)

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ABSTRACT

We study the effect of oil price pass-through on the domestic prices, namely on the consumer price index (CPI) and producer price index (PPI), based on the asymmetric adjustment modelling approach. The behaviour of domestic prices in response to oil price changes was examined by comparing two groups of economies, namely the oil-importing versus oil-exporting countries. The results show that although the oil price has a significant influence on the domestic price inflation in the short-run and in the long-run for most of the oil-importers and oil-exporters, it is not the main factor affecting CPI and PPI inflation. Moreover, oil price inflation seems to trigger a higher impact on PPI inflation than CPI inflation. The pass-through of oil prices on CPI inflation is low, especially in the oil-importing countries while the main determinant of CPI and PPI inflation is gross domestic product (GDP). The results are found to hold for both groups of countries.

Keywords: oil price; asymmetric adjustment modelling; domestic price inflation

ABSTRAK

Kajian ini bertujuan menyiasat penentu utama inflasi harga domestik dan melihat kesan penembusan harga minyak ke atas harga domestik, iaitu ke atas indeks harga pengguna (CPI) dan indeks harga pengeluar (PPI), menggunakan pendekatan pemodelan pelarasan tak simetri langsung. Tingkah laku harga domestik dalam memberi tindak balas terhadap perubahan harga minyak diperiksa dengan membandingkan dua kumpulan ekonomi, iaitu negara pengimport minyak dan negara pengeksport minyak. Keputusan menunjukkan walaupun harga minyak bukanlah faktor utama yang mempengaruhi inflasi CPI dan PPI, ia mempunyai pengaruh penting pada inflasi harga domestik di kebanyakan negara pengimport minyak dan pengeksport minyak dalam jangka pendek dan jangka panjang. Tambahan pula, inflasi harga minyak juga dilihat cenderung untuk mencetuskan kesan yang lebih tinggi pada inflasi PPI berbanding dengan inflasi CPI. Penembusan harga minyak pada inflasi CPI adalah rendah, terutama dalam kalangan negara pengimport minyak manakala penentu utama inflasi CPI dan PPI adalah keluaran dalam negara kasar (GDP). Keputusan ini didapati terpakai untuk negara-negara daripada kedua-dua kumpulan.

Kata kunci: harga minyak; pemodelan pelarasan tak simetri langsung; inflasi harga domestik

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