

[Download This Paper \(Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1&type=2)[Add Paper to My Library](#)Share:

Effects of Fiscal Deficit and Money M2 Supply on Inflation: Evidence from Selected Economies of Asia

Journal of Economics, Finance and Administrative Science, Vol. 20, pp. 49–53, 2015

5 Pages

Posted: 6 Jun 2015

Bon Nguyen (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2252560)

Ho Chi Minh City University of Economics and Finance

Date Written: June 3, 2015

Abstract

A sustained high growth rate of gross domestic product at a low inflation is one of the main goals of the majority of macroeconomic policies, so keeping the price stability plays an important role in determining the growth rate of output. This paper empirically investigates effects of fiscal deficit and broad money M2 supply on inflation in Asian countries, namely Bangladesh, Cambodia, Indonesia, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam in the period of 1985–2012. By applying the Pooled Mean Group (PMG) estimation-based error correction model and the panel differenced GMM (General Method of Moment) Arellano-Bond estimator, the study finds out broad money M2 supply has significantly positive impact on inflation only in the method of PMG estimation whereas fiscal deficit, government expenditure and interest rate are the statistically significant determinants of inflation in both methods of estimation.

Keywords: Fiscal deficit, Broad money M2 supply, Inflation, PMG estimation, Differenced panel GMM estimator, Asian countries[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2614047_code1350781.pdf?abstractid=2614047&mirid=1&type=2)

26 References

1. *** , *
2. A E E Anshasy
Oil revenues, government spending policy, and growth
Public Finance and Management , volume 12 , issue 2 , p. 120 - 146 Posted: 2012
3. M Arellano , O Bover
Another look at the instrumental variable estimation of error-components models
Journal of Econometrics , volume 68 , p. 29 - 51 Posted: 1995
Crossref ([https://doi.org/10.1016/0304-4076\(94\)01642-d](https://doi.org/10.1016/0304-4076(94)01642-d))
4. H Asgharpur , L A Kohnehsahri , A Karami
~~The relationships between interest rates and inflation changes: An analysis of long-term interest rate dynamics in developing countries~~

International Economic Conference on Trade and Industry (IECTI) Posted: 2007-12-05

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (<https://www.elsevier.com/legal/cookienotice>)

[Load more](#)[Cookie Settings](#)[Accept all cookies](#)

Submit Negative Results (<https://www.ssrn.com/index.cfm/en/Negative-Results/>)

DOWNLOADS

1,246

ABSTRACT VIEWS

3,302

RANK

30,888

PlumX Metrics



Related journals

Macroeconomics: Monetary & Fiscal Policies eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1154269)

Follow




Macroeconomics: Prices, Business Fluctuations, & Cycles eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1154364)

Follow



[View more >](#)

Feedback 

Submit a Paper > (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

SSRN Quick Links



SSRN Rankings



About SSRN



f (<https://www.facebook.com/SSRNcommunity/>)



in (<https://www.linkedin.com/company/493409?>

| trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A | |


 (<https://twitter.com/SSRN>)

(<http://www.elsevier.com/>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)

Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)