

Emerging Markets Finance and Trade >

Volume 57, 2021 - [Issue 1](#)

1,017

Views

19

CrossRef citations to date

0

Altmetric

VBER 2017 Conference, 16-18 November 2017, Ho Chi Minh City, Vietnam

Exchange Rate Pass-Through in ASEAN Countries: An Application of the SVAR Model

Vo The Anh, Le Thai Thuong Quan, Nguyen Van Phuc, Ho Minh Chi & Vo Hong Duc ✉

Pages 21-34 | Accepted author version posted online: 30 May 2018, Published online: 20 Sep 2018

🗨️ Cite this article

🔗 <https://doi.org/10.1080/1540496X.2018.1474737>



Sample our
Economics, Finance,
Business & Industry Journals
>> **Sign in here** to start your access
to the latest two volumes for 14 days

📄 Full Article

📊 Figures & data

📖 References

🗨️ Citations

📊 Metrics

📄 Reprints & Permissions

Read this article

🔗 Share

ABSTRACT

Central banks in emerging countries generally question the effect of exchange rate pass-through into price levels in the national economy in order to implement monetary policy effectively. This article is conducted in response to these macroeconomic concerns. Five founding members of the Association of Southeast Asian Nations (ASEAN), for which all the required data are available, are included in our sample with up-to-date time-series data until 2016. We use a structural vector autoregressive model in this study. Several interesting findings emerged from our study. First, we find incomplete exchange rate pass-through to domestic prices, and the producer price index is found to be affected more than the consumer price index. Second, the exchange rate shocks are found to have an immediate effect within one quarter on producer prices in all the countries. Third, variance in domestic prices is found to be caused mainly by shocks from oil prices, output gaps, and exchange rates, with some

differences in the extent of effects across countries. Fourth, in these five countries, interest rates appear to play a minor role in explaining the inflation rate. We recommend that policy makers pursuing price stability in the economy focus on exchange rates and interest rate policy with great caution.

KEY WORDS:

ASEAN exchange rate pass-through inflation structural VAR

JEL CLASSIFICATIONL:

E31 F52 F31

Notes

¹. This method has been employed in a few previous studies (Ito and Sato [2008](#); Saha and Zhang [2016](#)).

Additional information

Funding

This work was supported by the Ho Chi Minh City Open University Vietnam [E2017.6.15.1 Decision 901/QĐ-ĐHM dated 15/06/2017].

Related research

People also read

Recommended articles

Cited by
19

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG

 Taylor and Francis
Group