# DETERMINANTS OF INFLATION IN SELECTED ASEAN COUNTRIES : A PANEL DATA STUDY

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## ABSTRACT

Consumer Price Index (CPI) is the indicator to identify the level of the inflation in the economy. The volatility of the CPI value in the economy may come from many possibility related with economic activities that contribute to its value. This paper aims to investigate the determinants of inflation in selected ASEAN countries focusing on the role of money supply, unemployment rate, real exchange rate and energy use. The explanatory variables chosen in this study are based on its importance in previous study. It is to prove that how well these variables explaining inflation in the countries concerned in this study. In other words, the specific objective of this study to find out if explanatory used in this study are consistent with previous study in determining inflation. Using panel data for 5 countries for the period 1997 -2011, the regression result shows that all independent variables used in this study are not significant determinants in explaining inflation except for variable real effective exchange rate.