

1. Record Nr.	UNINA9910975149103321
Autore	Mwase Nkunde
Titolo	An Empirical Investigation of the Exchange Rate Pass-Through to Inflation in Tanzania / / Nkunde Mwase
Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2006
ISBN	9786613823557 9781462372003 1462372007 9781452739045 1452739048 9781283364119 1283364115 9781452703329 1452703329
Edizione	[1st ed.]
Descrizione fisica	1 online resource (36 p.)
Collana	IMF Working Papers
Soggetti	Foreign exchange rates - Tanzania Inflation (Finance) - Tanzania Consumer price indexes Currency Deflation Exchange rate pass-through Exchange rates Foreign Exchange Foreign exchange Inflation Macroeconomics Monetary base Monetary economics Monetary Policy, Central Banking, and the Supply of Money and Credit: General Money and Monetary Policy Money supply Price indexes Price Level Prices Tanzania, United Republic of

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"June 2006."
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	""Contents""; ""I. INTRODUCTION""; ""II. MONEY, EXCHANGE RATES, AND INFLATION IN TANZANIA""; ""III. A SURVEY OF THE LITERATURE""; ""IV. THE MODELING STRATEGY""; ""V. EMPIRICAL RESULTS""; ""VI. FACTORS BEHIND THE LOW AND DECLINING EXCHANGE RATE PASS-THROUGH""; ""VII. CONCLUSION AND POLICY RECOMMENDATIONS""; ""DATA SOURCES AND ESTIMATION""; ""ROBUSTNESS TESTS""; ""References""
Sommario/riassunto	<p>The paper examines the effect of exchange rate changes on consumer prices in Tanzania using structural vector autoregression (VAR) models. Using a data set covering the period 1990-2005, we find that the exchange rate pass-through to inflation declined in the late 1990s despite the depreciation of the currency. This could be partly attributed to the macroeconomic and structural reforms that were implemented during this period. The decline in the pass-through does not necessarily imply that exchange rate fluctuations are less significant in explaining macroeconomic fluctuations. The recent increase in the share of imports in the economy suggests that the pass-through could rise over the medium term. The findings imply that the authorities should remain vigilant in assessing the potential impact of foreign prices on the dynamics of inflation in Tanzania. In this regard, the authorities should seek to maintain low and stable inflation and continue the ongoing structural reforms designed to improve efficiency and increase competition.</p>