

The Impact of Exchange Rate Change on Inflation Using Bibliometric Analysis from 1975 to 2024

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Abstract

This study employs a bibliometric technique to explore the relationship between inflation and fluctuations in exchange rates, focusing on literature published from 1975 to 2024. The primary aim is to provide a structured overview of the evolution of this field by identifying key trends, prominent authors, institutions, publications, and topic clusters. A rigorous bibliometric methodology is utilized to analyze publication trends, co-citations, and keyword co-occurrences, drawing on data from the Scopus database. The findings indicate an increasing interest in topics such as inflation targeting, exchange rate pass-through, and the impact of global factors like oil prices on inflation and exchange rates, especially in emerging markets. The results reveal a growing body of knowledge in recent years, with both developed and developing countries being well represented. The study contributes theoretically by mapping the knowledge structure of the field and outlining fundamental research questions that can be explored in future studies. On a practical level, it provides valuable insights for economists and policymakers by highlighting effective strategies for managing inflation and ensuring exchange rate stability, particularly in economies vulnerable to global changes.

Keywords: Exchange Rate, Conversion Rate, Currency Rate, Forex Rate, Inflation

Introduction

Foreign capital flow may be impacted by changes in the domestic interest rate since they may have an effect on the capital's return. The exchange rate is impacted because the foreign capital flow will determine how much foreign exchange is available. Four additional mechanisms exist for the currency rate to impact inflation: (2) by raising the cost of imported inputs, which influences the cost of domestic products, and (1) by influencing the prices of consumer items that are imported and immediately included to the consumer price index (4) by influencing the pricing of domestic and import-substitute goods (3) by influencing the overall demand through changes in exchange rates that impact current accounts and are reflected in domestic prices (Woo, 1984; Akbaş et al., 2024). For instance, Ha et al. (2020) looked at how the exchange rate and inflation related to the type of shocks experienced by 55 different nations. The majority of the analysis used quarterly data from 1998 to 2017. The

following variables are included in the analysis: nominal effective exchange rate changes, domestic interest rates, country-specific output growth, country-specific inflation, oil price growth, and global output growth.

According to their features, domestic shocks have a significantly different pass-through with inflation and have a considerable impact on exchange rate volatility in the majority of nations, according to the analysis. Generally speaking, passthrough to domestic monetary shocks is higher average in nations with less flexible exchange rate regimes and no central bank that targets inflation. However, because of the stabilizing impacts of growth and exchange rate channels, negative and largely negligible passthrough rates were noted for domestic demand shocks (Akbaş et al., 2024). Hofner and Schroder (2002) assert that because goods are highly competitive on the global market, changes in exchange rates may have an indirect impact on domestic prices. Domestic goods become less expensive than international goods as the value of the home currency declines. As a result, both export volume and aggregate demand rise, which raises domestic prices (Gereziher & Nuru, 2023).

Literature Review

With an emphasis on the impact of exchange rate shocks on inflation rates between 1970 and 2020, Gereziher and Nuru's (2023) study investigates the non-linear relationship between exchange rate changes and inflation in South Africa. The asymmetric effects of exchange rate fluctuations, both positive (appreciation) and negative (depreciation), on inflation cycles were examined by the researchers using a Threshold Vector Autoregressive (TVAR) model (Gereziher & Nuru, 2023). The results show that the effects of exchange rate pass-through (ERPT) are more noticeable when inflation is high. This is consistent with Taylor's (2000) theory that higher inflation environments have more pass-through effects because firms set their prices in response to ongoing cost changes. This dynamic implies that in order to lessen the effect of ERPT on domestic prices, policymakers in small open economies—especially those implementing inflation-targeting frameworks—may find it advantageous to modify inflationary expectations (Taylor, 2000; Gereziher & Nuru, 2023).

Furthermore, the results of earlier ERPT research conducted in Sub-Saharan African nations are not all the same. For example, in nations like Egypt and Nigeria, ERPT to consumer prices is frequently insufficient but significant, as shown by Helmy et al. (2018) and Abiodun et al. (2016). Nonetheless, research by Oluwasheyi (2017) and Ocran (2010) has demonstrated that the implementation of inflation-targeting in South Africa has successfully reduced the ERPT on domestic prices after 2000 (Helmy et al., 2018; Ocran, 2010; Oluwasheyi, 2017).

Pham, Hien, and Ngoc's (2022), paper compares fixed and time-varying cointegration models to examine the effects of inflation on Vietnam's gold price and exchange rate. When domestic currency stability is questionable, consumers turn to gold and foreign currency assets, according to the authors, who contend that inflation affects demand for these assets (Pham et al., 2022). Compared to fixed coefficient models, the study uses time-varying cointegration, which is more reliable at identifying the dynamic relationship between inflation and exchange rates (Chang et al., 2015; Pham et al., 2022). The results highlight the shortcomings of conventional fixed techniques in macroeconomic analysis by demonstrating that the influence of inflation on exchange rates is only noticeable in the time-varying model

(Lucey et al., 2016; Pham et al., 2022). Furthermore, through inflation, monetary policy tools like interest rates and the broad money supply have an indirect impact on exchange rates, exposing important relationships that fixed models fail to capture (Andrieş et al., 2017). In order to improve inflation control measures and preserve exchange rate stability in Vietnam's volatile economy, Pham et al. (2022) advise policymakers to use dynamic modeling techniques.

Research Contributions

This study aims to enhance our understanding of the relationship between inflation and exchange rate fluctuations, both theoretically and empirically. It provides a thorough examination of key issues, influential authors, and foundational works in this area from 1975 to 2024. By defining thematic clusters such as inflation targeting, exchange rate pass-through, and the effects of oil prices on currency stability, the research integrates and synthesizes essential knowledge, making it easier for future scholars to explore and build on existing findings. Practically, the study equips economic researchers and policymakers with insights that support the formulation of adaptable fiscal and monetary policies. Its findings on currency rate pass-through mechanisms and inflation targeting, particularly in emerging markets, offer guidance for developing strategies to manage exchange rate volatility and curb inflation. Additionally, understanding how global factors like oil price fluctuations impact economies empowers decision-makers to anticipate and respond to external pressures, thereby enhancing the resilience of both developed and emerging economies. Overall, the study bridges the gap between academic research and practical application, facilitating the development of evidence-based policies in a complex and evolving economic landscape.

This study is motivated by the importance of comprehending the dynamic relationship between inflation and exchange rate changes, particularly in light of developing market vulnerabilities and global economic concerns. This study uses bibliometric analysis to map trends, influential works, and knowledge clusters in this subject from 1975 to 2024 in an effort to fill in the knowledge gaps that now exist since inflation and exchange rate volatility pose serious threats to economic stability. By providing a thorough examination of inflation targeting tactics and exchange rate pass-through processes, this work advances both theory and practice. Theoretically, it enhances current frameworks by highlighting thematic clusters and significant contributions, and practically, it gives decision-makers useful information for developing flexible fiscal and monetary policies that are suited to lessen the negative consequences of inflation and exchange rate swings. The study is an essential tool for promoting both scholarly research and evidence-based policymaking because it synthesizes decades of research.

Research Question

The current study conducts a thorough bibliometric analysis to answer the following research questions (RQs):

- **RQ1.** *What is the current trend of research in exchange rate change and inflation research?*
- **RQ2.** *Which are prominent authors, organisations, and countries of exchange rate change and inflation research?*
- **RQ3.** *Which are the Most Influential Journals (MIJ) on exchange rate change and inflation research?*

- **RQ4.** Which are the Most Influential publications on exchange rate change and inflation research?
- **RQ5.** What are the Knowledge foundations of exchange rate change and inflation research?
- **RQ6.** What are the thematic clusters of exchange rate change and inflation research?
- **RQ7.** What are the Influential topics in the “period of 1975–2024” exchange rate change and inflation research?
- **RQ8.** What are the future research directions for exchange rate change and inflation research?

Bibliometric Research Methodology

We followed a rigorous process to arrive at the final count of 392 articles in Table 1. Because Scopus contains a large number of double-blind, peer-reviewed articles published in journals with high-impact factors, it was used to collect the data. The Period of Publications spans 1975–2024, and the search was carried out on November 10, 2024. The Search terms specifically are (TITLE ("exchange rate" OR "Conversion rate" OR "Currency rate" OR "Forex rate" OR " Trade rate" OR "Rate of exchange") AND TITLE ("Inflation" OR "Price Increase" OR "Purchasing Power Decline" OR "Price Escalation")) AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "SOCI") OR LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (LANGUAGE , "English")). Table 1 shows the article's inclusion and exclusion criteria.

Table 1

Article Inclusion and Exclusion Criteria

Selection criteria		Exclude	Include
Database	<i>“Scopus”</i>		
Date of Search	<i>10 November 2024</i>		
Period of Publications	<i>1975-2024</i>		
Search Term	(TITLE ("exchange rate" OR "Conversion rate" OR "Currency rate" OR "Forex rate" OR " Trade rate" OR "Rate of exchange") AND TITLE ("Inflation" OR "Price Increase" OR "Purchasing Power Decline" OR "Price Escalation"))	-	489
Subject Area	<i>Economics, Econometrics and Finance, Social Sciences, Business, Management and Accounting</i>	34	455
Publication Type	<i>“Article”</i>	50	405
Language Screening	<i>“Include documents published in English only”</i>	13	392

Findings

Performance Analysis

The results of the current study's performance analysis, which include publication trends, notable authors, notable organizations, notable nations, and Most Influential Journals (MIJ), are shown below. in addition to the current study's field's publishing trend.

Publication Trend

The publication trend regarding inflation and exchange rate fluctuations from 1975 to 2024 is illustrated in Figure 1, highlighting the growing interest in this topic over the years. In the early years, from 1975 to around 1987, the number of publications was relatively low, typically ranging from 0 to 5 each year with slight variations. Following that, there was a gradual increase from 1988 to 2009, with the annual publication count slowly rising to about 10 by the early 2000s. A significant surge in the scientific field began in 2010, with annual publications frequently exceeding 15. Recently, particularly after 2020, there has been a remarkable uptick in research activity, culminating in a peak of 22 publications in a single year. This upward trend, especially in the last few years, suggests a growing body of knowledge surrounding inflation and exchange rate fluctuations, likely driven by increased funding for research, a broader network of interested researchers, or prevailing economic conditions. Figure 1 illustrates the publication trend of exchange rate changes and inflation from 1975 to 2024.

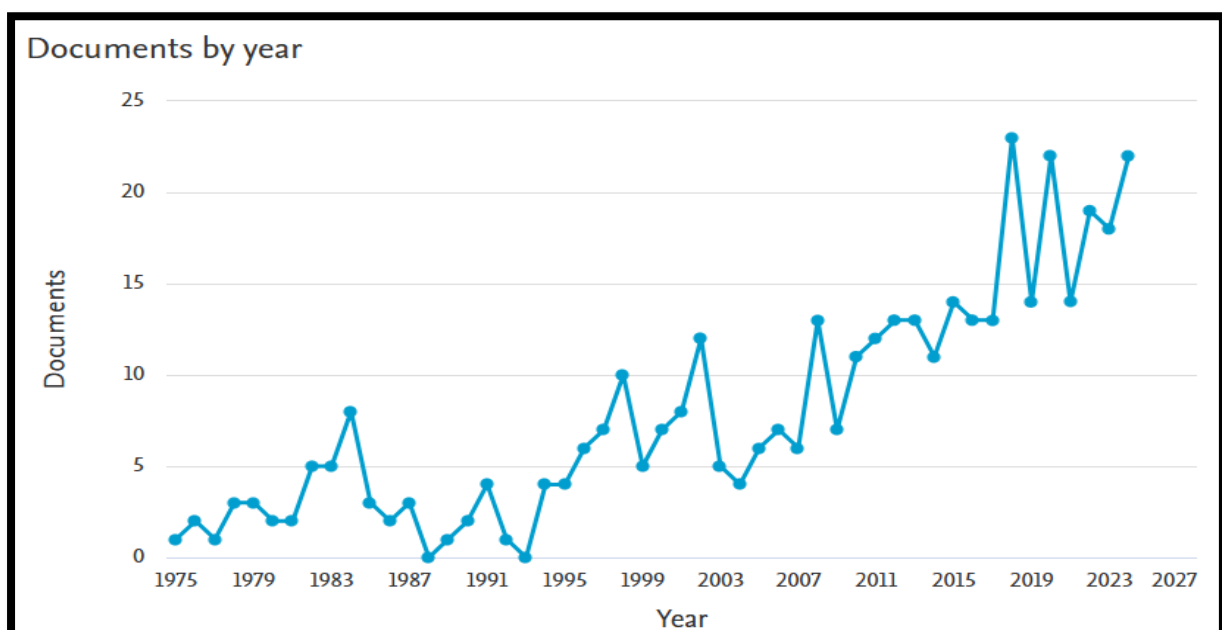


Figure 1: Publication Trend of exchange rate change and inflation from 1975 to 2024

The Prominent Authors, Institutions, and Country in Exchange Rate Change and Inflation Research

Publication counts (TP) and total citations (TC) highlight the leading researchers in this area. Notable authors include Michael Bleaney (five publications, 116 citations), Muhammad Ali Nasir (three publications, 118 citations), and Hakan Yilmazkuday (three publications, 73 citations). The high citation counts reflect the significance and recognition of their work, which has greatly influenced the field. The contributions of these authors indicate a blend of specialized research and regional expertise in understanding inflation and exchange rate dynamics. Several institutions have emerged as prominent research centers in this domain. The Federal Reserve Bank of New York, the University of the Punjab, and Iqra University in Pakistan have produced publications with considerable citation impact. Research on the economic implications of inflation and exchange rate fluctuations is of global interest. Leeds Beckett University in the UK is particularly notable, with three papers and 118 citations,

establishing itself as a key research hub in this field. The United States leads in exchange rate and inflation research, boasting 92 publications and 1,567 citations nationally. The UK follows with 41 publications and 629 citations, while France and Australia also make significant contributions. Countries like Pakistan, with 10 publications and 296 citations, are showing a growing interest in this area of study. This geographic diversity underscores the broad economic relevance of exchange rate and inflation dynamics, attracting academic attention from both developed and emerging economies. Table 2 presents the key authors, institutions, and countries involved in research on exchange rate changes and inflation.

Table 2

The Prominent Authors, Institutions, and Country in Exchange Rate Change and Inflation Research

Author	TP	TC	Institution	TP	TC	Country	TP	TC
Nasir, Muhammad Ali	3	118	University of the Punjab. Pakistan	1	148	United States	92	1567
Aizenman, Joshua	2	116	Iqra University. Pakistan	1	148	United Kingdom	41	629
Bleaney, Michael	5	116	The Superior College. Pakistan	1	148	France	18	354
Duc Huynh, Toan Luu	2	87	Shahjalal University of Science & Technology. Bangladesh	1	148	Pakistan	10	296
Vo, Xuan Vinh	2	87	Federal Reserve Bank of New York. US	1	122	Turkey	21	269
Pinto, Brian	2	81	leeds Beckett University. UK	3	118	Australia	19	230
Yilmazkuday, Hakan	3	73	Catholic University. Brazil	1	107	Japan	12	228
Obstfeld, Maurice	2	72	Central Bank of Brazil. Brazil	1	107	Brazil	14	220
Fielding, David	2	66	Institute of Business Administration. Pakistan	1	106	Germany	10	149
Shintani, Mototsugu	2	66	University of California. US	1	103	China	18	147
Reyes, Javier	2	58	University of Hawaii. US	1	103	Viet Nam	8	145
Civcir, Irfan	3	54	Chadron State College. US	1	99	Malaysia	15	134
Roger, Scott	2	53	university of new haven. US	1	99	Spain	8	133

Kara, Amit	2	48	Yokohama National University. Japan	1	96	Indonesia	21	103
Nelson, Edward	2	48	university of Tokyo. Japan	1	96	Nigeria	17	86
Junttila, Juha	2	43	University of Western Sydney. Australia	1	94	Peru	4	70
Korhonen, Marko	2	43	university of New England. Australia	1	94	Philippines	4	70
De Grauwe, Paul	2	37	Monash University. Australia	1	94	Finland	5	69
Égert, Balázs	2	37	University of Jeddah. Saudi Arabia	1	94	South Korea	6	55
Baharumshah, Ahmad Zubaidi	2	34	King Saud University. Saudi Arabia	1	94	United States	92	1567
Note(s): TC = total citations, TP = total number of article(s) publications								

Most Influential Journals (MIJ) on exchange rate change and inflation research

With 16 publications and 531 citations, the Journal of International Money and Finance stands out as the leading source in the ranking of the most influential journals in the realm of exchange rate changes and inflation research. This highlights the journal's vital role in sharing significant studies within this field. Following closely are the International Review of Economics and Finance and Applied Economics, each with nine publications and citation counts of 298 and 195, respectively, showcasing their considerable impact. The Journal of Development Economics also makes a mark with 9 articles and 195 citations, underscoring its relevance to this area of study. Although they have fewer publications, other journals like the Journal of Money, Credit and Banking (5 publications, 166 citations) and Emerging Markets Finance and Trade (7 publications, 180 citations) still exhibit strong influence, reflecting the diversity of research and high citation impact. Journals such as World Development and European Economic Review adopt a global and developmental perspective on understanding exchange rates and inflation, providing broader economic insights. Collectively, these journals form an essential foundation for scholars and decision-makers, illustrating the wide array of research interests and interdisciplinary approaches that enhance our understanding of inflation and exchange rate dynamics worldwide. Table 3 presents the most influential journals (MIJ) in exchange rate change and inflation research.

Table 3

Most influential journals (MIJ) on exchange rate change and inflation research

R	Most Influential Journals (MIJ)	Total Publication (TP)	Total Citations (TC)
1	Journal of International Money and Finance	16	531
2	International Review of Economics and Finance	9	298
3	Applied Economics	9	195
4	Journal of Development Economics	9	195
5	Emerging Markets Finance and Trade	7	180
6	Journal of Money, Credit and Banking	5	166
7	European Economic Review	10	143
8	World Development	6	138
9	Economic Modelling	5	102
10	Applied Economics Letters	7	85
11	Resources Policy	6	84
12	Journal of International Economics	5	81
13	Review of International Economics	4	70
14	African Development Review	5	57
15	Journal of Policy Modeling	3	57
16	Japan and The World Economy	3	49
17	Economic Systems	4	46
18	Economics Letters	8	46
19	Quarterly Review of Economics and Finance	3	38
20	Empirical Economics	5	35
Note(s): TC = total citations, TP = total number of article(s) publications, R = Ranking			

Science Mapping

The findings of the current study's science mapping analysis (Citation Analysis, Co-Citation Analysis, Bibliographic Coupling Analysis, and Co-Word Analysis) are shown below.

Citation Analysis for most Influential Publications

The table ranks the most significant papers in the study of inflation and exchange rate fluctuations based on the number of citations. Leading the list is Ha's (2020) paper, "Inflation and exchange rate pass-through," with 148 citations, showcasing its critical role in analyzing the connection between exchange rate fluctuations and inflation rates. Following closely is Nasir's (2020) article, "A quarter century of inflation targeting & structural change in exchange rate pass-through," which has garnered 131 citations. This research highlights the evolving structural relationship between inflation and exchange rates, particularly in countries that implement inflation-targeting strategies. Other important works include Basnet (2015), which investigates the impact of oil price shocks on inflation and exchange rates in ASEAN nations, receiving 107 citations, and Meo (2018), who studied the asymmetric effects of oil prices, exchange rates, and inflation on tourism demand in Pakistan, with 122 citations. Additionally, the complex dynamics of exchange rate regimes in developing countries and the nonlinear relationships between exchange rates and inflation are examined in studies by Bleaney (2002) and Shintani (2013). Collectively, these papers underscore the global interest in

understanding how fluctuations in exchange rates influence inflation, offering diverse geographical, methodological, and temporal perspectives on this vital economic relationship. Table 4 presents the Most Influential Articles (MIA) in the research on exchange rate changes and inflation.

Table 4

The Most Influential Articles (MIA) on Exchange rate Change and Inflation Research

R	Author(s)	Most Influential Articles	Total Citations (TC)
1	Ha (2020)	"Inflation and exchange rate pass-through"	148
2	Nasir (2020)	"A quarter century of inflation targeting & structural change in exchange rate pass-through: Evidence from the first three movers"	131
3	Meo (2018)	"Asymmetric impact of oil prices, exchange rate, and inflation on tourism demand in Pakistan: new evidence from nonlinear ARDL"	122
4	Basnet (2015)	"Impact of oil price shocks on output, inflation and the real exchange rate: evidence from selected ASEAN countries"	107
5	Aloui (2018)	"A Multiple and Partial Wavelet Analysis of the Oil Price, Inflation, Exchange Rate, and Economic Growth Nexus in Saudi Arabia"	106
6	Shintani (2013)	"Exchange rate pass-through and inflation: A nonlinear time series analysis"	103
7	Iqbal (2017)	"Does gold hedge stock market, inflation and exchange rate risks? An econometric investigation"	99
8	Bleaney (2002)	"Exchange rate regimes, inflation and output volatility in developing countries"	96
9	Aizenman (2011)	"Inflation Targeting and Real Exchange Rates in Emerging Markets"	94
10	Berganza (2012)	"Flexible inflation targets, forex interventions and exchange rate volatility in emerging countries"	94
11	Mccarthy (2007)	"Pass-through of exchange rates and import prices to domestic inflation in some industrialized economies"	65
12	Dwyer (2002)	"Destination price competitiveness: Exchange rate changes versus domestic inflation"	60
13	Minella (2003)	"Inflation targeting in Brazil: Constructing credibility under exchange rate volatility"	59
14	Ito (2008)	"Exchange rate changes and inflation in post-crisis Asian economies: Vector autoregression analysis of the exchange rate pass-through"	56
15	Uribe (1997)	"Exchange-rate-based inflation stabilization: The initial real effects of credible plans"	56
16	Buiter (1982)	"Real exchange rate overshooting and the output cost of bringing down inflation"	56

17	Sarno (2000)	"Real exchange rate behaviour in high inflation countries: Empirical evidence from Turkey, 1980-1997"	55
18	Vassalou (2000)	"Exchange rate and foreign inflation risk premiums in global equity returns"	55
19	Shapiro (1975)	"Exchange Rate Changes, Inflation, And the Value Of The Multinational Corporation"	53
20	Obstfeld (1983)	"Exchange rates, inflation, and the sterilization problem. Germany, 1975-1981"	52
Note(s): TC = total citations, R = Ranking			

Co-Citation Analysis for Knowledge Foundations

Co-citation analysis identifies groups of publications that are often cited together, indicating potential methodological or thematic connections. Each cluster depicted in the graphic represents a set of closely related studies. For instance, references to monetary policy and its impact on inflation and exchange rates are grouped with works by Woodford (2003) and Taylor (2000). This particular cluster delves into fundamental theories regarding interest rates and the pricing mechanisms in low-inflation environments. Additionally, Choudhri and Hakura (2006) and McCarthy (2007) form notable clusters that investigate the pass-through effects of exchange rates on domestic prices, a crucial aspect for understanding inflation dynamics.

The strength of co-citation links in the figure is represented by the color and thickness of the lines; stronger lines indicate higher co-citation frequency. For example, Taylor's (1993) research on policy norms is closely associated with Calvo and Reinhart's (2002) study on the "fear of floating," highlighting the importance of policy frameworks in shaping the relationships between inflation and currency rates in emerging economies. Likewise, Ca'Zorzi, Hahn, and Sanchez (2007) underscore the emphasis on emerging markets in co-citation patterns, as evidenced by their strong links to studies on currency rate pass-through. The presence of foundational works like Johansen's (1988) statistical analysis of cointegration vectors and Fisher's (1930) Theory of Interest showcases the theoretical foundations of contemporary research. These seminal papers are frequently cited alongside more recent empirical studies, demonstrating their significant contributions to the theoretical frameworks and statistical methods that inform current analyses of exchange rate and inflation dynamics. Figure 2 illustrates the co-citation analysis of research on exchange rate changes and inflation.

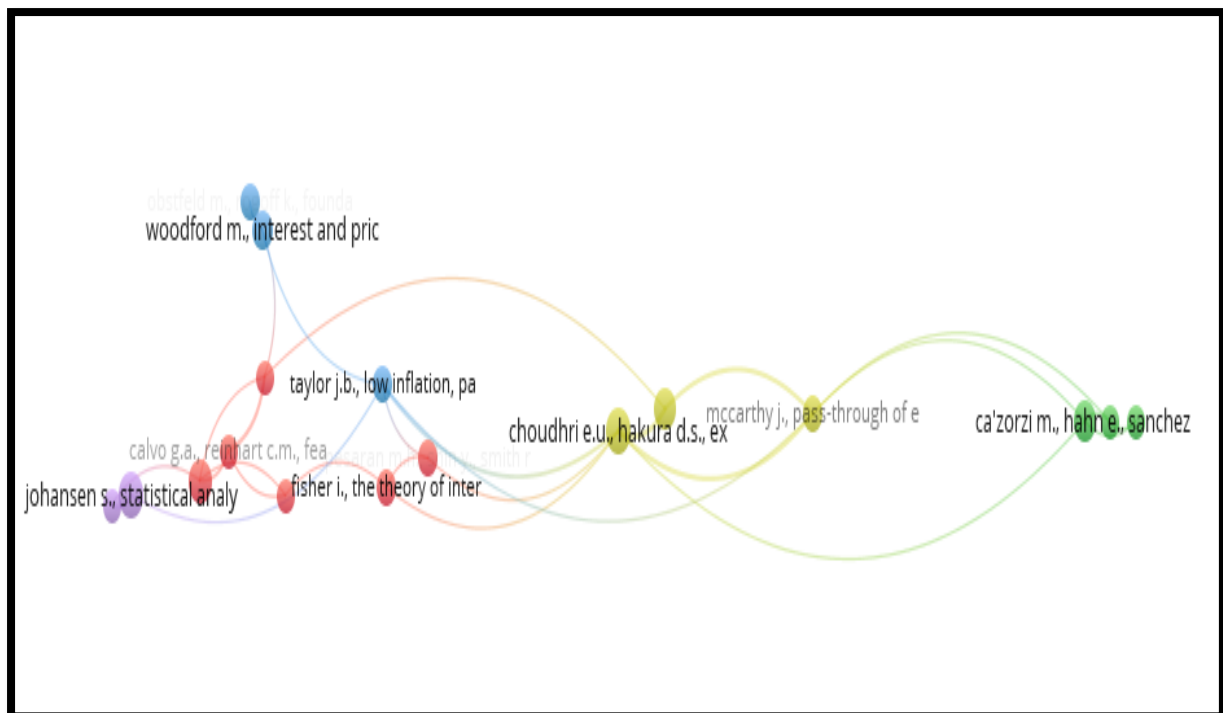


Figure 2: Co-citation analysis of exchange rate change and inflation research

Bibliographic Coupling for Thematic Clusters

The analysis can provide a snapshot of the current state of the research field. In this study, we identify four primary thematic clusters related to exchange rate changes and inflation: Oil Price and Exchange Rate Dynamics, Inflation Targeting in Emerging Markets, Exchange Rate Pass-Through and Inflation, and Inflation Targeting and Exchange Rate Pass-Through. Table 5 presents a thematic categorization of research concerning inflation and exchange rate fluctuations, organized into four key clusters, each focusing on different aspects of the topic.

Cluster 1: Dynamics of Oil Prices and Exchange Rates This cluster examines the interplay between inflation, exchange rates, oil prices, and economic outcomes. For example, Aloui (2018) and Basnet (2015) explore the impact of oil prices on inflation and exchange rates in various regions, including Saudi Arabia and ASEAN countries, while Meo (2018) analyzes the asymmetric effects of oil price fluctuations and exchange rates on tourism demand. This theme underscores the significance of oil in the global economy and its influence on inflation and currency stability.

Cluster 2: Targeting Inflation in Developing Economies This cluster focuses on the implementation of inflation-targeting policies in emerging markets and their effects on exchange rates. Aizenman (2011) and Berganza (2012) are notable for their insights into the roles of foreign exchange interventions and flexible inflation targets in sustaining exchange rate stability in these regions. To gain a deeper understanding of how inflation-targeting frameworks affect currency fluctuations in emerging economies, Nasir (2020) investigates structural changes in exchange rate pass-through.

Cluster 3: Inflation and Exchange Rate Pass-Through This cluster examines how fluctuations in exchange rates influence inflation. For instance, Ito (2008) explores the effects of currency rates on Asian economies after a crisis, while Ha (2020) sheds light on the ways exchange rates affect domestic inflation. This topic highlights the importance of

understanding how shifts in exchange rates can create inflationary pressures in different economic contexts.

Cluster 4: Exchange Rate Pass-Through and Inflation Targeting This smaller cluster focuses on the intertwined issues of inflation targeting and the impact of exchange rate pass-through. Shintani (2013) investigates the non-linear relationship between exchange rate changes and inflation, whereas Minella (2003) looks into inflation targeting in Brazil, emphasizing its role in establishing economic credibility amid exchange rate fluctuations. Each cluster represents distinct yet interconnected areas of research, illustrating the complexity of studies on inflation and exchange rates and their implications for economic policy, especially in sectors sensitive to global economic changes. Table 5 presents thematic clusters of research on exchange rate changes and inflation.

Table 5

Thematic Clusters of Exchange Rate Change and Inflation Research

Theme	Author(s)	Title	TC
Cluster-1 (5 items) Oil Price and Exchange Rate Dynamics	Aloui (2018)	A Multiple and Partial Wavelet Analysis of the Oil Price, Inflation, Exchange Rate, and Economic Growth Nexus in Saudi Arabia”	106
	Basnet (2015)	“Impact of oil price shocks on output, inflation and the real exchange rate: evidence from selected ASEAN countries	107
	Dwyer (2002)	“Destination price competitiveness: Exchange rate changes versus domestic inflation”	60
	Meo (2018)	“Asymmetric impact of oil prices, exchange rate, and inflation on tourism demand in Pakistan: new evidence from nonlinear ARDL”	122
	Sarno (2000)	“Real exchange rate behaviour in high inflation countries: Empirical evidence from Turkey, 1980-1997”	55
Cluster-2 (3 items) Inflation Targeting in Emerging Markets	Aizenman (2011)	“Inflation Targeting and Real Exchange Rates in Emerging Markets”	94
	Berganza (2012)	“Flexible inflation targets, forex interventions and exchange rate volatility in emerging countries”	94
	Nasir (2020)	“A quarter century of inflation targeting & structural change in exchange rate pass-through: Evidence from the first three movers”	131
Cluster-3 (3 items) Exchange Rate Pass- Through and Inflation	Ha (2020)	“Inflation and exchange rate pass-through”	148
	Ito (2008)	“Exchange rate changes and inflation in post-crisis Asian economies: Vector autoregression analysis of the exchange rate pass-through”	56
	Mccarthy (2007)	“Pass-through of exchange rates and import prices to domestic inflation in some industrialized economies”	65

Cluster-4 (2 items)	Minella (2003)	"Inflation targeting in Brazil: Constructing credibility under exchange rate volatility"	59
Inflation Targeting and Exchange Rate Pass-Through	Shintani (2013)	"Exchange rate pass-through and inflation: A nonlinear time series analysis"	103
Note(s): TC = total citations			

Co-Word Analysis (Co-Occurrence) for Future Studies and Thematic Trends

The co-word analysis of inflation and exchange rate fluctuations reveals important themes organized by their frequency and link strength, showcasing how interconnected they are in this area. The terms "inflation" and "exchange rate" are the most frequently mentioned, underscoring their vital roles in summarizing the key economic factors under investigation. Keywords related to policy, such as "Monetary Policy" and "Inflation Targeting," emphasize the focus on economic policy measures that influence exchange rate stability and inflation, especially in emerging economies. More complex economic interactions, like how exchange rate fluctuations affect domestic inflation and currency stability, are represented by specific terms such as "Exchange Rate Pass-Through," "Exchange Rate Volatility," and "Real Exchange Rate." Given their significant relevance in oil-dependent economies, external factors—particularly the "Oil Price"—illustrate how global commodity price changes impact inflation and exchange rate stability. Additionally, terms like "Emerging Markets" and "Developing Countries" highlight concerns regarding how these dynamics affect economically vulnerable regions. Overall, this analysis provides a comprehensive approach to understanding the complex relationships between exchange rates and inflation across various economic and policy contexts. Table 6 presents the co-word analysis of research on exchange rate changes and inflation.

Table 6

Co-Word Analysis of Exchange Rate Change and Inflation Research

R	Keyword	Co-Occurrences	Total Link Strength
1	<i>Inflation</i>	101	141
2	<i>Exchange Rate</i>	73	105
3	<i>Inflation Targeting</i>	54	77
4	<i>Monetary Policy</i>	37	65
5	<i>Exchange Rate Pass-Through</i>	30	41
6	<i>Exchange Rates</i>	23	28
7	<i>Real Exchange Rate</i>	14	15
8	<i>Exchange Rate Volatility</i>	13	13
9	<i>Oil Price</i>	12	26
10	<i>Money Supply</i>	9	25
11	<i>Pass-Through</i>	9	20
12	<i>Economic Growth</i>	8	13
13	<i>Interest Rate</i>	8	14
14	<i>Cointegration</i>	7	7
15	<i>Inflation Rate</i>	7	12
16	<i>Exchange Rate Regime</i>	6	6
17	<i>Exchange Rate Regimes</i>	6	8
18	<i>Developing Countries</i>	5	11
19	<i>Emerging Markets</i>	5	9
20	<i>Taylor Rule</i>	5	14

R = Ranking

The recurring themes in studies on inflation and exchange rate fluctuations cover several fundamental subjects. Analyses indicate that the most commonly used terms are "inflation" and "exchange rate," highlighting a significant interest in understanding the relationship between these economic factors and their impacts. Many studies have investigated the effects of monetary policy and inflation targeting, especially in emerging nations, on inflation rates and the stability of exchange rates. Another frequently examined topic is exchange rate pass-through, which looks at how changes in exchange rates influence domestic inflation levels. Additionally, oil prices emerge as a critical factor, showcasing their significant impact on currency rate stability and inflation, particularly in oil-dependent countries. Despite the extensive research conducted, there are still several information gaps that further studies could address. One notable gap is the varying effects of inflation-targeting programs in developing nations. While some research has focused on emerging markets, there has been limited comparative analysis on how these policies affect different developing economies with diverse economic structures and levels of dependence on global trade. Investigating these differences could enhance our understanding of how inflation targeting operates in various developmental contexts. Another area that requires more exploration is the changing dynamics of currency rate pass-through during economic crises. It's essential to study this effect under different economic conditions or during periods of global instability, as the pass-through mechanism may alter when the economy is under pressure. This would help clarify how fluctuations in exchange rates influence inflation in crisis-specific scenarios. Figure 4 illustrates a co-word analysis of research on exchange rate changes and inflation.

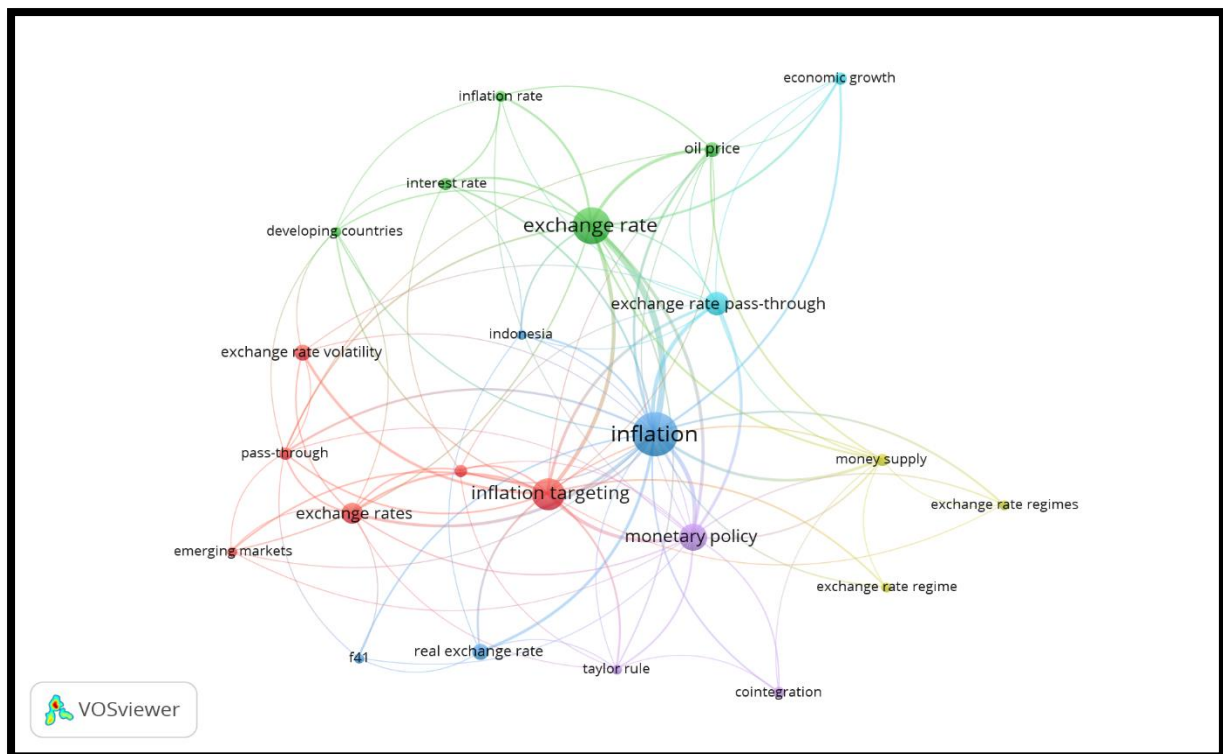


Figure 4: Co-Word Analysis of Exchange Rate Change and Inflation Research

Conclusion

The conclusion of the research study provides a comprehensive overview of the findings regarding the impact of exchange rate fluctuations on inflation from 1975 to 2024. It emphasizes the growth of research in this field, particularly in recent years, as inflation and currency rates have gained importance in both developed and developing countries. By showcasing trends, key authors, journals, and organizations, the study's bibliometric analysis enhances our understanding of how these topics have evolved over time. The paper offers both theoretical and practical contributions, delivering insights that assist economists and policymakers in grasping the dynamics of inflation and exchange rates. On the practical side, it aids decision-makers in formulating effective monetary policies, while the theoretical aspect focuses on clarifying the foundational knowledge of exchange rate and inflation research. Additionally, the report acknowledges several limitations, noting that some knowledge gaps identified during the analysis could be addressed through further research.

Theoretical Contributions

This study aims to enhance our understanding of the relationship between inflation and exchange rate fluctuations by providing a systematic framework of knowledge. It highlights key publications and authors, organizes previous research into thematic clusters, and identifies the most influential journals through a detailed bibliometric analysis. The contributions clarify the fundamental theories linking exchange rates and inflation, including inflation targeting, exchange rate pass-through mechanisms, and the influence of external factors like oil prices. Additionally, by showcasing significant trends and patterns in exchange rate and inflation research from 1975 to 2024, the study enriches theoretical knowledge and offers insights into how these topics have evolved under various economic conditions. This structured body of information serves as a theoretical framework for future research,

enabling scholars to build on past findings and address identified knowledge gaps, especially in emerging and developing markets.

Practical Contributions

This study significantly contributes to the education of financial analysts, economists, and policymakers by highlighting effective strategies for managing inflation and ensuring exchange rate stability. By exploring the dynamics of exchange rate pass-through and the effectiveness of inflation-targeting approaches in different economic contexts, the study provides valuable insights for crafting more adaptive and tailored monetary policies. For instance, a deeper understanding of how fluctuations in exchange rates impact inflation can enable central banks and financial institutions to devise strategies that mitigate adverse effects on domestic economies, especially in emerging markets that are vulnerable to exchange rate fluctuations. Additionally, the study's findings regarding the influence of global factors, such as oil prices, on inflation and exchange rates are crucial for economies that heavily rely on energy imports or exports. This understanding equips policymakers to better anticipate and manage inflationary pressures resulting from shifts in global commodity prices. By elucidating these relationships and trends, the study serves as a vital resource for formulating both national and international economic policies, promoting evidence-based decision-making that enhances economic stability and resilience.

Limitations

The limitations of this study primarily stem from the scope and method of the bibliometric analysis. Firstly, it relies solely on publications indexed in the Scopus database. While this database is comprehensive, it may overlook important studies published in other databases or regional journals, potentially missing key contributions to the field. This selection criterion could limit the relevance of the findings across different geographic and economic contexts, particularly in regions where significant research is conducted outside of Scopus-indexed publications. Additionally, the study covers a broad time frame from 1975 to 2024, which means that some historical findings may not align well with current economic conditions and policies. Insights from earlier periods may not be as relevant to today's or future economic scenarios, given that the dynamics of exchange rates and inflation are influenced by evolving regional and global economic factors. Future research could address these limitations by focusing on more specific time frames, incorporating qualitative analysis, and utilizing a wider range of sources.

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