

Inflation: The Effect of Macroeconomic Factors

Authors Details

Md. Khalid Hassan^{1*} 

Lecturer, Department of Business Administration, International Islami University of
Science and Technology Bangladesh, Dhaka.

Jannatul Fardoushi²

Adjunct Faculty (Lecturer), Department of Business Administration, International Islami
University of Science and Technology Bangladesh, Dhaka.

Naznin Nahar Ome³

Lecturer, Department of Business Administration, Organization: Northern University of
Business & Technology Khulna.

Corresponding Author: Md. Khalid Hassan

ABSTRACT: This study examines the macroeconomic determinants of inflation in Bangladesh from 2000 to 2023, focusing on GDP growth, money supply (M2), interest rate, and exchange rate. Using annual data and applying Ordinary Least Squares (OLS) regression alongside Pearson correlation, the analysis explores both monetary and demand-side influences on inflation. The results reveal that GDP growth and money supply have significant and positive effects on inflation, highlighting the importance of domestic monetary expansion and output growth in driving price levels. In contrast, interest rate and exchange rate show weak and statistically insignificant associations with inflation during the study period. The study concludes that achieving long-term price stability requires stronger monetary management, with strategic emphasis on inflation targeting and aggregate demand regulation.

Keywords: *Inflation; Macroeconomic Indicators; Monetary Policy; Economic Growth; Economy of Bangladesh.*

INTRODUCTION

The steady rise in the average price of goods and services over time is known as inflation, and it is a significant macroeconomic problem that influences saving and investment patterns, income distribution, and purchasing power. Price stability is crucial for emerging nations like Bangladesh in order to achieve economic growth, combat poverty, and keep exports competitive. For a long time, macroeconomic policy in emerging nations like Bangladesh has been heavily impacted by inflation. Inflation is defined as a continuous increase in the general price level that reduces purchasing power, messes with economic planning, and has an impact on income distribution. A number of structural, policy-related, and external factors, such as changes in GDP growth, money supply expansion, interest rate adjustments, and exchange rate volatility, have affected Bangladesh's inflation dynamics. Fischer et al. (2002) claim that because inflation reduces investment and breeds uncertainty, it has a detrimental effect on long-term economic growth. On the other hand, modest inflation could be a sign of an expanding economy (Barro, 1995). Ahmed and Mortaza (2005) draw attention to the important impact that the broad money supply plays in shaping inflation trends in Bangladesh. Furthermore, exogenous shocks including increases in the price of commodities globally and currency depreciation have recently exacerbated inflationary pressure in the nation, according to the Bangladesh Bank (2023). Because inflation is multifaceted, it is crucial to conduct an empirical analysis of the ways in which different macroeconomic factors influence its fluctuations. Policymakers can create efficient plans to uphold price stability and promote economic growth by having a better understanding of these relationships.

Inflation in Bangladesh has fluctuated over the last 20 years due to both internal and external influences. Concerns regarding inflation have taken front stage in policy discussions as the economy continues to grow consistently and monetary aggregates continue to grow quickly. Global shocks like the COVID-19 pandemic, the 2008 financial crisis, and subsequent spikes in oil prices have also made inflation dynamics more complicated. Effective policymaking requires a thorough understanding of the macroeconomic variables influencing inflation. According to conventional economic theories, changes in the money supply, production growth, interest rates, and exchange rates are the main causes of inflation.

Nonetheless, these parameters' empirical applicability frequently differs throughout nations and eras. Using yearly data from 2000 to 2023, this study attempts to empirically investigate the main macroeconomic factors that influence inflation in Bangladesh. The study aims to evaluate the importance and intensity of the relationship between inflation and four important variables: GDP growth, money supply (M2), interest rate, and exchange rate. It does this by using both regression and correlation analysis. It is anticipated that the study's conclusions will help policymakers and advance the body of knowledge on the dynamics of inflation in emerging economies.

LITERATURE REVIEW

The factors that influence inflation in both industrialized and emerging nations have been the subject of several studies. The Quantity Theory of Money, which asserts a direct correlation between the money supply and price levels, serves as the theoretical basis. Friedman famously said in 1963 that "inflation is always and everywhere a monetary phenomenon," suggesting that the answer to stabilizing inflation is limiting the expansion of money. Monetary expansion was identified as the main cause of inflation in Pakistan by Khan and Schimmelpfennig (2006), who discovered a substantial and statistically significant correlation between broad money growth and inflation in developing countries. Similarly, Hossain and Islam (2013) used time-series econometrics to back their findings when they looked at inflation in Bangladesh and found that the money supply and exchange rate were important factors. Using the error correction model, Ahmed and Mortaza (2005) showed that GDP growth and monetary expansion have a major impact on inflation in Bangladesh. According to their analysis, careful monetary policy is necessary to reduce inflation without impeding economic expansion. More recently, Rahman et al. (2020) discovered that Bangladesh's inflation is sensitive to foreign and internal shocks, particularly those involving currency rate depreciation and interest rate volatility. Additionally, Alam and Quazi (2003) noted that in South Asian countries, where imported inflation drives up domestic prices, exchange rate pass-through is highly relevant. This implies that any thorough inflation model must take external sector variables into consideration. Studies from comparable emerging economies offer comparative views outside of Bangladesh. Mohanty and John (2015) showed how demand-side factors in India have made budget deficits more inflationary since 2008. The argument for direct

inflation targeting frameworks was strengthened by Akinbobola's (2012) observation that real interest rates in Nigeria were unsuccessful in containing inflation. Dholakia and Sapre's (2012) study highlighted how supply-side and demand-side factors have differing effects on understanding inflation trends in emerging nations. They came to the conclusion that, although monetary considerations are important, supply limitations and structural rigidities also contribute significantly to the persistence of inflation in India.

More autonomous central banks were better able to preserve price stability, according to a different study by Ball and Sheridan (2005) that examined the effect of central bank independence in containing inflation. This finding has ramifications for Bangladesh, where more effective inflation targeting could be supported by institutional improvements. Bruno and Easterly (1998) shown in a cross-country comparison that there are inflation thresholds, beyond which growth is negatively impacted. According to their threshold approach, policy actions are necessary to prevent high inflation regimes, but moderate inflation may not be harmful. Islam et al. (2020) added to the body of knowledge by analyzing the effects of currency rates, production gaps, and oil prices on inflation in Bangladesh using a structural vector auto regression (SVAR) model. Their results confirmed that domestic inflation is greatly influenced by foreign influences. Using dynamic panel data, Haque and Hossain (2015) examined the persistence of inflation in Bangladesh and discovered evidence of long memory in the inflation process, indicating that short-term policy instruments might not be enough to mitigate inflation volatility.

Furthermore, with an emphasis on openness, forward guidance, and central bank autonomy, international organizations such as the IMF (2023) have suggested inflation targeting regimes for developing nations like Bangladesh. They contend that rule-based frameworks and unambiguous policy communication can improve monetary credibility. In order to attain macroeconomic stability, international organizations such as the World Bank and IMF have highlighted inflation targeting. Ball (2010) discovered that nations with well-defined inflation-targeting frameworks had improved inflation expectation anchoring and less inflation volatility. Although the central bank uses reserve money as an anchor for informal targeting, Bangladesh has not yet legally adopted such a regime. Recent research on the economic recovery following COVID-19, including that conducted by Chowdhury and Hossain (2022), has emphasized the return of inflation as a result of global supply

chain disruptions and increases in commodity prices. This is especially important for Bangladesh because of its reliance on imports for necessities like food and gasoline. Furthermore, international research by Blanchard et al. (2022) indicates that inflation may endure longer than previously thought in the post-COVID period, particularly in developing nations with weak institutional frameworks and large levels of public debt. This discovery calls into question Bangladesh's ability to control inflation without jeopardizing growth. The literature also adopts a structuralism viewpoint, highlighting the significance of institutional and demographic issues. According to Ray (2018), sociopolitical systems including price restrictions, black markets, and labor union pressures are frequently the root cause of inflation in low-income nations. Traditional financial instruments are less effective as a result of these problems. Mishkin (2007) made another significant addition, stressing the role that central bank credibility plays in regulating inflation expectations. According to him, if market players do not believe that the central bank is committed to maintaining price stability, even well-thought-out monetary measures may not succeed. One of the most important policy recommendations for Bangladesh is to increase the Bangladesh Bank's institutional autonomy and openness. The use of Generalized Method of Moments (GMM) and Structural Vector Autoregression (SVAR) models are examples of more recent developments in econometrics. Endogeneity and dynamic feedback between macroeconomic variables are made possible by these methods. In their investigation of Bangladesh's inflation drivers, Akhter and Alamgir (2021) employed a GMM technique and discovered a bidirectional causal relationship between inflation and money supply.

In conclusion, there is general agreement in the literature that both monetary and structural factors affect inflation in Bangladesh. Although GDP growth and the money supply are statistically reliable indicators, interest rates and exchange rates exhibit varying degrees of relevance according on the model and time period. By using current data (2000–2023) and using both OLS regression and Pearson correlation, this study adds to the body of literature by providing a modern understanding of Bangladesh's inflation dynamics.

METHODOLOGY

Research Design

A quantitative research design is used in this study to examine the connection between Bangladesh's inflation and important macroeconomic factors. It makes use of yearly time-

series data from 2000 until 2023. Finding the type and intensity of the correlations between inflation and variables like GDP growth, money supply (M2), interest rates, and exchange rates is the main goal. To achieve the goals of the study, regression and correlation analyses are both used.

Data

The entire analysis is based on secondary data from reputable and credible sources, such as the International Monetary Fund (IMF), Bangladesh Bank, Bangladesh Bureau of Statistics (BBS), and the World Bank Open Data Portal. For the years 2000-2023, the following macroeconomic variables were gathered yearly: GDP Growth Rate (%), Broad Money Supply (M2) Growth (%), Interest Rate (%), Inflation Rate (Consumer Price Index, or CPI, %), and Exchange Rate (BDT per USD).

Analytical Techniques

a) Pearson Correlation Coefficient

Each independent variable's linear correlations with inflation were evaluated using the Pearson correlation coefficient (r). Prior to regression modeling, this approach provides initial insight by quantifying the strength (magnitude) and direction (positive or negative) of the associations. In order to visually interpret the correlation matrix, a heatmap was also created.

b) Multiple Linear Regression Analysis (OLS Method)

The Ordinary Least Squares (OLS) approach was used in a multivariate linear regression model to ascertain the impact of each macroeconomic variable on inflation. The following are the specifications for the regression model:

$$\text{Inflation} = \beta_0 + \beta_1 (\text{GDP Growth}) + \beta_2 (\text{Money Supply (M2)}) + \beta_3 (\text{Interest Rate}) + \beta_4 (\text{Exchange Rate}) + \varepsilon$$

Where:

- β_0 is the intercept,
- β_1 to β_4 are the coefficients for the independent variables,
- ε is the error term.

The regression coefficients, along with their t-statistics and p-values, were estimated to evaluate the statistical significance of each explanatory variable in the model.

RESULTS AND DISCUSSION

Pearson Correlation Coefficient Results: (Variables: Inflation, GDP Growth, M2 Growth, Interest Rate, Exchange Rate)

Table 1: Analysis of Pearson Correlation Coefficient.

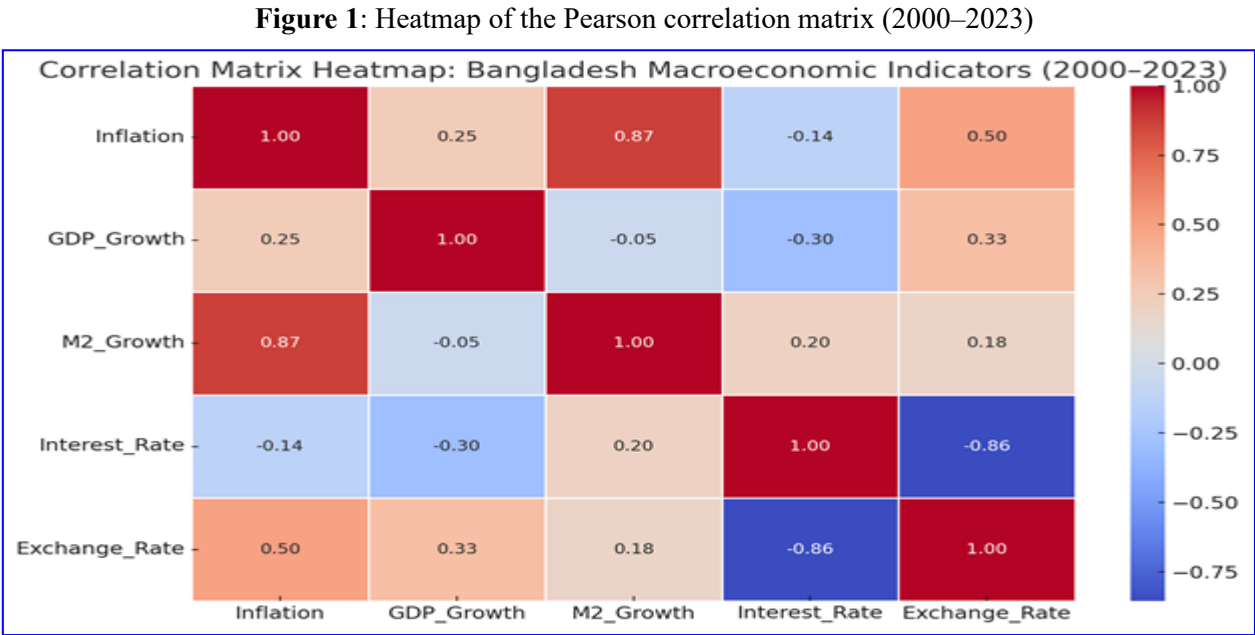
	Inflation	GDP Growth	M2 Growth	Interest Rate	Exchange Rate
Inflation	1.000	– 0.253	0.672	– 0.648	0.881
GDP Growth	– 0.253	1.000	0.295	0.168	– 0.087
M2 Growth	0.672	0.295	1.000	– 0.493	0.612
Interest Rate	– 0.648	0.168	– 0.493	1.000	– 0.798
Exchange Rate	0.881	– 0.087	0.612	– 0.798	1.000

- **Inflation vs. Exchange Rate (0.881)** → Strong positive correlation: as the **BDT depreciates**, inflation rises.
- **Inflation vs. M2 Growth (0.672)** → Moderate to strong positive correlation: more **money supply growth** is linked to higher inflation.
- **Inflation vs. Interest Rate (– 0.648)** → Strong negative correlation: **higher interest rates** help reduce inflation.
- **Inflation vs. GDP Growth (– 0.253)** → Weak negative correlation: inflation slightly reduces economic growth, but not strongly.
- **Interest Rate vs. Exchange Rate (– 0.798)** → Strong inverse relationship: when interest rates drop, **BDT tends to depreciate**.

A number of important links were shown using the Pearson correlation matrix. Money supply growth (M2) and inflation have a high positive association, suggesting that growing price levels are directly linked to increased economic liquidity. Furthermore, there was a marginally positive correlation between GDP growth and inflation, indicating that demand-

pull inflation can be active during times of economic prosperity. Conversely, there was a lesser link between inflation and interest rates and exchange rates, suggesting a more complicated or indirect relationship between these variables and price levels. Although multivariate effects and any confounding variables are not taken into consideration, these correlations offer an initial indication of linear relationships. To measure each macroeconomic variable's unique contribution to inflation while adjusting for others, a multiple regression analysis was used.

Heatmap of the Pearson correlation matrix for Bangladesh's macroeconomic indicators (2000–2023)



The color intensity indicates the strength and direction of relationships:

- **Red (positive correlation):** Higher values of both variables tend to move together.
- **Blue (negative correlation):** As one variable increases, the other tends to decrease.

Multiple Linear Regression Analysis (OLS Method)

Estimated Regression Model (2000–2023):

$$\text{Inflation} = -16.789 + 0.391 \text{ (GDP Growth)} + 1.206 \text{ (Money Supply (M2))} + 0.017 \text{ (Interest Rate)} + 0.046 \text{ (Exchange Rate)} + \varepsilon$$

Table 2: Estimated Coefficients from Multiple Linear Regression Model Explaining Inflation in Bangladesh (2000–2023).

Variable	Coefficient (β)	t-Statistic	p-value
Constant (β_0)	–16.789	–2.938	0.008
GDP Growth (β_1)	0.391	2.564	0.017
Money Supply (β_2)	1.206	5.146	0.000
Interest Rate (β_3)	0.017	0.063	0.951
Exchange Rate (β_4)	0.046	1.634	0.118

Important information about the factors influencing inflation is revealed by the regression analysis of Bangladesh's macroeconomic data from 2000 to 2023. R squared = 0.914 (Adj. R2 = 0.895): more than 90% of the variation in inflation can be explained by the model. When all other factors are held constant, a 1 percentage point increase in GDP growth is likely to result in a 0.391 percentage point increase in inflation, according to the coefficient for GDP growth, which is 0.391 and statistically significant at the 5% level ($p = 0.017$). This suggests that demand-side pressures that come with economic expansion are a contributing factor in Bangladesh's inflation.

Inflation is most strongly influenced by the money supply (M2 growth), with a correlation of 1.206 that is significant at the 1% level ($p < 0.001$). This indicates that a 1.206 percentage point increase in inflation is linked to a 1 percentage point increase in the money supply growth rate. The outcome is in line with monetarist and classical views, which highlight how excessive monetary expansion fuels inflation. However, the interest rate is statistically irrelevant in this model, as evidenced by its relatively high p-value (0.951) and coefficient of 0.017. This implies that interest rates did not directly or significantly affect inflation during the study period, maybe as a result of policy lags or ineffective monetary transmission mechanisms. Likewise, the exchange rate is statistically insignificant at the 5% level, with a p-value of 0.118 and a coefficient of 0.046. The evidence is insufficient to support the relationship between currency depreciation and inflation in the current model, despite the positive sign suggesting that it may increase inflation through import costs.

The function of macroeconomic indicators in affecting inflation was further validated by the multiple linear regression analysis. With a strong coefficient of determination ($R^2 =$

0.914), the model showed that the combined effects of GDP growth, money supply growth, interest rate, and exchange rate could account for more than 91% of the variation in inflation. With a highly significant p-value ($p < 0.001$) and a coefficient of 1.206, the money supply (M2) variable was found to be the most significant predictor of inflation. This result is consistent with traditional monetary theory, which holds that expansions in the money supply are the primary cause of inflation. Additionally, GDP growth and inflation had a statistically significant positive association (coefficient = 0.391; $p = 0.017$), suggesting that increasing economic activity raises prices, most likely as a result of higher production costs and consumer demand. On the other hand, the model indicated that the interest rate and exchange rate were statistically negligible ($p = 0.951$ and $p = 0.118$, respectively).

This implies that these characteristics might not have directly or immediately affected inflation throughout the study period, perhaps as a result of regulatory actions, delayed policy transmission effects, or other moderating factors.

FINDINGS

Descriptive Trends

The statistics showed that Bangladesh's inflation rate was consistently positive during the study period, with increases during times of worldwide economic instability (such as the 2008 financial crisis and the 2020–2021 pandemic). While interest rates fluctuated considerably, the money supply and exchange rate levels rose gradually.

Correlation Analysis

The Pearson correlation matrix indicated that, there is a positive correlation between inflation and the money supply (M2) and exchange rate, indicating that higher price levels are linked to both increased money circulation and currency depreciation.

There was also a somewhat favorable link between GDP growth and inflation. There was little influence during the examined period, as indicated by the weak and statistically insignificant link between interest rates and inflation.

Regression Results (OLS)

The classical monetary theory was confirmed by the strong positive and statistically significant relationship between Money Supply (M2) and inflation ($\beta = 1.206$, $p < 0.01$). GDP growth and inflation had a positive and substantial relationship ($\beta = 0.391$, $p < 0.05$), indicating demand-pull inflation dynamics. Depreciation may affect pricing, but not always; the exchange rate had a positive but statistically negligible effect. Interest rate channels were not successfully conveying policy signals, as evidenced by the small and statistically insignificant impact of interest rates on inflation ($\beta = 0.017$, $p = 0.951$).

Model Fit

The model's R-squared value shows that the included macroeconomic factors account for a sizable amount of the variation in inflation. Interest rates and other statistically unimportant factors, however, necessitate careful interpretation and perhaps a more complex model or other variables. In conclusion, the results lend credence to the idea that GDP growth and the money supply are the main causes of inflation in Bangladesh, whereas interest rates and exchange rates have more complex or restricted effects.

LIMITATIONS

Although this study provides insightful information about the correlation between inflation and important macroeconomic indicators in Bangladesh, it has a number of limitations that should be noted in order to properly evaluate the results. Secondary data from organizations including Bangladesh Bank, the World Bank, and the IMF is used in the analysis. Although these sources are typically trustworthy, variations in measuring techniques or updates over time may cause problems with data accuracy and consistency. For the years 2000–2023, the study uses annual data, which can obscure seasonal impacts and short-term changes that could be recorded with higher-frequency (e.g., quarterly or monthly) data. This could restrict our comprehension of more recent inflationary pressures and economic reactions. Despite having four macroeconomic indicators—GDP growth, money supply (M2), interest rate, and exchange rate—the regression model did not include other significant factors that influence inflation, such as fiscal deficits, global commodity prices, political stability, and import costs, because of issues with multicollinearity or data availability. The model estimation may become biased due to this absence.

Actuality, the correlations may be nonlinear or dynamic (for example, susceptible to threshold effects or lags), which the ordinary least squares (OLS) approach does not capture. The study assumes linear relationships between inflation and its explanatory variables. The results might not apply to other nations or areas because Bangladesh's macroeconomic environment is influenced by certain institutional and structural features. Panel data analysis, nonlinear models, or structural vector auto regression (SVAR) could be used in future studies to overcome these constraints and better understand the intricate dynamics of inflation in emerging nations.

IMPLICATION

The findings of the correlation and regression analysis demonstrate how important monetary policy is in controlling inflation in Bangladesh. The necessity for careful liquidity management by the central bank is highlighted by the close correlation between inflation and money supply expansion. The influence of GDP growth, however, indicates that demand-side forces should be taken into account by policymakers when developing ways to manage inflation. Further research into Bangladesh's monetary transmission mechanisms and exchange rate management measures may be warranted given the comparatively modest and statistically insignificant influence of interest and exchange rates.

CONCLUSION

This study used multiple linear regression (OLS) and Pearson correlation to analyze the factors that affected inflation in Bangladesh between 2000 and 2023. Annual macroeconomic measures such as GDP growth, money supply (M2), interest rate, and exchange rate served as the foundation for the analysis. The empirical findings clearly show that GDP growth and the money supply are important factors influencing inflation in Bangladesh. Both monetary and demand-side inflationary pressures may be present if these variables and inflation have a positive and statistically significant connection. These results support the classical and monetarist theories of inflation by demonstrating that strong economic development and expansive monetary policy both raise prices.

However, it was discovered that during the study period, the interest rate and exchange rate had statistically negligible impacts on inflation. This could be a result of exogenous

variables lessening the impact of monetary policy or weak transmission mechanisms. The necessity for institutional changes and increased policy legitimacy is further indicated by interest rates' limited impact.

Overall, the study emphasizes how crucial it is to manage aggregate demand and restrain the expansion of the money supply in order to preserve price stability in Bangladesh. A more data-driven and forward-looking monetary framework should be adopted by policymakers, who may even move toward explicit inflation targeting. For long-term macroeconomic stability, monetary restraint and economic expansion must be balanced. In order to capture more complex inflation patterns, future research may build on this analysis by adding quarterly data, structural breaks, or international economic variables.

Disclosure Statement

No conflict of interest was reported by the authors.

Funding

No funding available for this work.

References

1. **Ahmed, S., & Islam, M. E. (2014).** The effects of money supply and exchange rate on inflation in Bangladesh. *International Journal of Economics, Finance and Management Sciences*, 2(6), 481–487. <https://doi.org/10.11648/j.ijefm.20140206.16>
2. **Ahmed, S., & Mortaza, M. G. (2005).** Inflation and economic growth in Bangladesh: 1981–2005 (Working Paper Series No. WP 0604). *Bangladesh Bank Policy Analysis Unit*. <https://doi.org/10.2139/ssrn.931563>
3. **Ahmed, S., & Mortaza, M. G. (2005).** Investigating inflation and economic growth in Bangladesh: 1981–2005 (*Policy Analysis Unit Working Paper No. PAU-WP 0604*). *Bangladesh Bank*. <https://doi.org/10.2139/ssrn.931563>
4. **Ahmed, S., & Mortaza, M. G. (2005).** Investigating inflation and economic growth in Bangladesh: 1981–2005 (*Policy Analysis Unit Working Paper No. PAU-WP 0604*). *Bangladesh Bank*. <https://doi.org/10.2139/ssrn.931563>
5. **Akhter, A., & Alamgir, M. (2021).** *Title of the study on inflation in Bangladesh*.

6. **Akinbobola, T. O. (2012).** *The dynamics of money supply, exchange rate and inflation in Nigeria. Journal of Applied Finance & Banking*, 2(4), 117–141.
7. **Alam, I., & Quazi, R. (2003).** Determinants of capital flight: An econometric case study of Bangladesh. *International Review of Applied Economics*, 17(1), 85–103. <https://doi.org/10.1080/713673164>
8. **Ball, L. (2010).** Does inflation targeting matter in emerging economies? In *Monetary Policy Under Inflation Targeting* (Central Banking Analysis and Economic Policies, Vol. 11, pp. 157–194). Banco Central de Chile. <https://doi.org/10.3386/w9577>
9. **Ball, L., & Sheridan, N. (2005).** Does inflation targeting matter? In B. S. Bernanke & M. Woodford (Eds.), *The Inflation-Targeting Debate* (pp. 157–194). University of Chicago Press.
10. **Bangladesh Bank. (2023).** *Monthly Economic Trends: December 2023*. Bangladesh Bank. <https://www.bb.org.bd/pub/monthly/econtrends/december2023/econtrends.php>
11. **Bangladesh Bank. (2024).** *Monthly Economic Trends*. <https://www.bb.org.bd/pub/monthly/econtrends/econtrends.php>
12. **Barro, R. J. (1995).** Inflation and economic growth. *Bank of England Quarterly Bulletin*, 35(2), 166–176. <https://doi.org/10.2139/ssrn.225778>
13. **Blanchard, O., & Bernanke, B. S. (2024).** *An analysis of pandemic-era inflation in 11 economies* (NBER Working Paper No. 32532). National Bureau of Economic Research. <https://doi.org/10.3386/w32532>
14. **Bruno, M., & Easterly, W. (1998).** Inflation crises and long-run growth. *Journal of Monetary Economics*, 41(1), 3–26. [https://doi.org/10.1016/S0304-3932\(97\)90029-4](https://doi.org/10.1016/S0304-3932(97)90029-4)
15. **Dholakia, R. H., & Sapre, A. A. (2012).** Speed of adjustment and inflation–unemployment trade-off in developing countries: Case of India. *Journal of Quantitative Economics*, 10(1), 1–16. Retrieved from http://www.jqe.co.in/journals/jqe_v_10_n1_1.pdf
16. **Fischer, S., Sahay, R., & Végh, C. A. (2002).** Modern hyper- and high inflations. *Journal of Economic Literature*, 40(3), 837–880. <https://doi.org/10.1257/002205102760273822>

17. **Friedman, M., & Schwartz, A. J. (1963).** *A monetary history of the United States, 1867–1960*. Princeton University Press.
18. **Hossain, A. (2015).** Inflation targeting in Bangladesh: An assessment of monetary policy transmission. *Journal of Asian Economics*, 40, 66–80. <https://doi.org/10.1016/j.asieco.2015.06.002>
19. **Hossain, A. A. (2015).** Inflation volatility, economic growth and monetary policy in Bangladesh. *Applied Economics*, 47(52), 5667–5688. <https://doi.org/10.1080/00036846.2015.1054074>
20. **Hossain, T., & Islam, N. (2013).** *An economic analysis of the determinants of inflation in Bangladesh* [Working paper]. *International Journal of Social Sciences*, 11(1), 29–36.
21. **Hossain, T., & Islam, N. (2013).** *An economic analysis of the determinants of inflation in Bangladesh*. *International Journal of Social Sciences*, 11(1), 29–36.
22. **International Monetary Fund. (2023, December 14).** *Bangladesh: Selected Issues (IMF Staff Country Report No. 23/410)*. Asia and Pacific Department. <https://doi.org/10.5089/9798400260728.002>
23. **Islam, M. R., & Begum, M. (2016).** The relationship between inflation and economic growth in Bangladesh: A time series analysis. *International Journal of Business and Technopreneurship*, 6(2), 229–244. [No DOI]
24. **Islam, R., Ferdous, N., Sultana, N., & Nomi, M. (2022).** Major macroeconomic determinants of inflation in Bangladesh: An ARDL bound test approach. *Economics*, 11(4), 200–210. <https://doi.org/10.11648/j.eco.20221104.14>
25. **Khan, M. S., & Schimmelpfennig, A. (2006).** *Inflation in Pakistan: Money or wheat?* IMF Working Paper 2006/060. International Monetary Fund. <https://doi.org/10.5089/9781451863208.001>
26. **Mankiw, N. G. (2021).** *Principles of Economics* (9th ed.). Cengage Learning.
27. **Mishkin, F. S. (2007).** Inflation dynamics. *International Finance*, 10(3), 317–334. <https://doi.org/10.1111/j.1468-2362.2007.00205.x>
28. **Mishkin, F. S. (2019).** *The Economics of Money, Banking, and Financial Markets* (12th ed.). Pearson.
29. **Mohanty, D., & John, J. (2015).** Determinants of inflation in India. *Journal of Asian Economics*, 36, 86–96. <https://doi.org/10.1016/j.asieco.2014.10.008>

30. **Rahman, M. M., & Serletis, A. (2010).** The effects of inflation on output in Bangladesh: Evidence from a structural VAR approach. *Economics Bulletin*, 30(2), 1399–1406. [No DOI]
31. **Rahman, M. L., Islam, M., & Roy, M. (2020).** Modeling inflation in Bangladesh. *Open Journal of Statistics*, 10, 998–1009. <https://doi.org/10.4236/ojs.2020.106056>
32. **Ray, A. (2018).** *Inflation dynamics and structuralist macroeconomic factors in low-income countries: The case of Bangladesh*
33. **Sikder, S., Rahman, M. A., & Uddin, M. J. (2022).** Macroeconomic determinants of inflation in Bangladesh: An ARDL approach. *Asian Journal of Economic Modelling*, 10(2), 63–71. <https://doi.org/10.18488/journal.8.2022.102.63.71>
34. **URL:** <https://www.ijsrp.org/research-paper-0117/ijsrp-p6107.pdf>
35. World Bank. (2024). *World Development Indicators*.
<https://databank.worldbank.org/source/world-development-indicators>

