

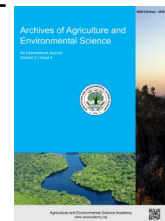


e-ISSN: 2456-6632

This content is available online at AESA

Archives of Agriculture and Environmental Science

Journal homepage: journals.aesacademy.org/index.php/aaes



REVIEW ARTICLE



A review on impact of inflation on economic growth in Nepal

Seema Karki* , Sushma Banjara and Amrit Dumre

Department of Agricultural Economics and Agribusiness Management, Faculty of Agriculture, Agriculture and Forestry University, Rampur, Chitwan, NEPAL

*Corresponding author's E-mail: seemakarki2015@gmail.com

ARTICLE HISTORY

Received: 15 February 2020
Revised received: 15 September 2020
Accepted: 22 September 2020

Keywords

Consumer price index
Economic growth
Empirical findings
GDP
Inflation
Threshold value

ABSTRACT

This study shows that there is no consensus on the relationship between inflation and economic growth in economic literature. The answer to whether inflation is generally conducive or detrimental to economic growth is still inconclusive. Various arguments have been put forward on both sides. It is generally believed that a low and stable inflation rate helps economic activities, while high inflation hurts growth. The study finds overwhelming support in favor of the specific threshold level of inflation that is appropriate for growth in Nepal. Several studies on this subject have found the threshold value of inflation to be around 6 per cent for Nepal. Inflation is harmful to the economy after certain rate of threshold. Therefore, it is necessary to control inflation in order to address poverty as well as economic growth. Policies need to be put in place to keep inflation target range around the optimum inflation rate to accelerate the pace of economic growth rate and ensure that the negative effect inflation has on economic growth is minimized.

©2020 Agriculture and Environmental Science Academy

Citation of this article: Karki, S., Banjara, S. and Dumre, A. (2020). A review on impact of inflation on economic growth in Nepal *Archives of Agriculture and Environmental Science*, 5(4): 576-582, <https://dx.doi.org/10.26832/24566632.2020.0504022>

INTRODUCTION

The relationship between economic growth and inflation is one of the most discussed issues and remains controversial in both theory and empirical findings (Acharya, 2019). The persistent and continuous rise in overall price level of a country is reckoned by the economists to be inflation (Akinsola *et al.*, 2017). Inflation can be stated as the determinant of economic growth among many variables (Barro, 1995). The structure lists opine that inflation is essential for economic growth whereas monetarists believe that inflation is detrimental for economic growth (Khan and Khan, 2018). A sustained high growth rate of output coupled with low inflation is the overriding objective of the majority of macroeconomic policies (Fischer, 1993; Koirala, 2006). Price stability is an important factor that determines the growth rate of an economy (Kryeziu and Durguti, 2019). A stable macroeconomic structure is the prerequisite for sustainable economic growth (Ayd *et al.*, 2016). A sound economic structure, and thus, a sustainable economic growth performance largely depend on price stability (Bhattarai, 2018). Due to inflation

people lose confidence in money as a medium of exchange which results fall in savings and consequently lower investment as well as economic growth. Many economic literature has indicated investment as the main channel through which inflation impedes economic growth (Barro, 1995; Hussain, 2011). That is, high inflation rate hurts economic growth. In present context, an economy that achieves no or inadequate growth is always associated with important problems such as poverty, unemployment and low welfare (Ayd *et al.*, 2016). It is necessary to determine inflation thresholds for each country in order to achieve sustainable economic growth (Omarova *et al.*, 2020). The generally accepted view is that inflation has a negative impact on growth in the medium and long term. There is general consensus about the fact that steady price holds paramount importance. However, what is optimal inflation rate, whether or not there exist a threshold peculiar to each country, and time required for stability to be achieved after the general level of prices is reduced to the desired level always occupies the major topic of discussions (Demile, 2016). Arby and Ali (2017) indicated that low inflation is one of the signs of

macroeconomic stability and a low inflation rate is linked to established economy (Gylfason and Hebertsson, 2001). A general consensus is developed with the passage of time that the moderate inflation stimulates economic growth, unlike high price level that may create uncertainty and disturbs economic performance (Mubarik, 2005). The question on whether or not inflation is harmful to economic growth has recently been a subject of enormous debate to policy makers and macro economists. The main objective of this paper is to review the literature on the relationship between inflation and economic growth.

Methodology

This study took references of many available data sources such as Economic Survey Reports (FY 2003/04, 2008/09, 2012/13 and 2018/19) and World Bank data base. Relevant journal articles, reports and books were consulted for finding out detail insight on relationship of inflation and growth. Different statistical tools like average, percentage, and line graph and correlation analysis have been used. Trend line was used to study the trajectory of economic growth, inflation and Consumer Price Index. Correlation analysis was employed to find out the relation between inflation and economic growth in Nepal. MS-Excel and STATA (version 12) was used for this purpose.

Empirical findings

Relation of inflation and economic growth

The existing literature reveals that there have been extensive theoretical and empirical research to analyze the relationship between inflation and economic growth, but their findings are still inconsistent. Many recent studies have reported that inflation limits growth and negatively influences economic growth while relatively older studies report that inflation encourages growth (Paudyal, 2011). The type of relationship between inflation and economic growth, i.e., positive, negative or none of them, is one aspect of the issue in debate. Study results on this subject in the literature fall under four categories: inflation does not have any influence on economic growth, inflation has a positive influence on economic growth, inflation has a negative influence on economic growth and inflation influences economic growth within the framework of a specific threshold. Wai (1959) studied the relationship between inflation and economic growth in less developed countries using data from 1938 to 1954. The study revealed no relationship between inflation and economic growth. In a recent study, using data for the period 1990 to 2017, Mukoka (2018) found no association between inflation and growth for Zimbabwe. Mallik and Chowdhury (2001) conducted cointegration analysis of inflation on economic growth for four South Asian countries (Bangladesh, India, Pakistan, and Sri Lanka) and reported that inflation and economic growth are positively related and the sensitivity of inflation to changes in growth rates is larger than that of growth to changes in inflation rates. Osuala et al. (2013) studied the impact of inflation on economic

growth in Nigeria using cointegration analysis covering the period between 1980 to 2010. They found positive and statistically significant relationship between inflation and economic growth. Barro (1995) investigated the inflation and growth nexus for 100 countries using panel data for 1960 to 1990 using neo classical growth model and concluded that inflation had significant negative impact on growth and investment. Harris, Gillman and Matyas (2001) carried out a study using panel data from 1961 to 1997 for OECD and APEC countries. They found significant negative relationship between inflation and economic growth. Gokal and Hani (2004) studied the relation between inflation and economic growth using time series data from 1970 to 2003 for Fiji using correlation matrix and granger causality tests. They found weak negative correlation between inflation and economic growth. Khan and Khan (2018) investigated the effects of inflation on rate of economic growth of the five Asian countries; namely, Bangladesh, Iran, Indonesia, Malaysia and Pakistan, for the period 1973 to 2016 and found that inflation has negative and statistically significant impact on economic growth in all sampled countries.

Khan and Senhadji (2001) investigated the existence of threshold effect in the relationship between inflation and growth in the study on 140 industrialized and developing countries covering the period between 1960 and 1998. They observed the threshold to be 1 to 3 per cent for industrialized countries and to be 7 to 11 per cent for developing countries and found out that inflation rates over these values had a negative influence on economic growth while inflation rates below these values had no influence on it. Mubarik (2005) estimated the threshold level of inflation in Pakistan using annual dataset from 1973 to 2000. The estimated model indicated 9 per cent threshold level of inflation above which inflation is detrimental for economic growth. Munir, Mansur and Furuoka (2009) investigated the relationship between inflation and economic growth in the Malaysian economy for the period between 1970 and 2005. They found the inflation threshold to be 3.89 per cent and concluded that inflation rate below this value had a positive influence on economic growth while over the threshold had a negative influence on it. Bawa and Abdullahi (2012) applied a threshold regression model using time series data for the period 1981-2009 and estimated a threshold level of inflation of 13 per cent for Nigeria. Below the threshold level, inflation was found to have mild effect on economic activities, while above it, the magnitude of the negative effect of inflation on growth was found high. Hasanov (2011) studied the threshold effect of inflation on economic growth in Azerbaijan for the period between 2000 and 2009 and determined the inflation threshold as 13 per cent. It was found that an inflation rate below this value had a positive influence on economic growth; an inflation rate over the threshold had a negative influence on it. Vinayagathan (2013) applied a dynamic panel threshold growth regression to study the relationship between inflation and economic growth for 32 Asian countries over the 1980-2009 period. The study revealed that the threshold value of 5.43 per cent and an inflation rate over this threshold had a negative impact on economic growth

while below this threshold did not have any impact at all. Tung and Thanh (2015) analyzed the threshold effect of inflation on economic growth in Vietnam as a transition economy for the period between 1986 and 2013. They concluded that an inflation rate over 7 per cent, the threshold, negatively influenced the economic growth.

It can be observed that empirical findings are diversified based on the economic conditions, methodology employed, data used, nature of the study whether cross section, panel data or country specific and time period of the study as well as the economic growth.

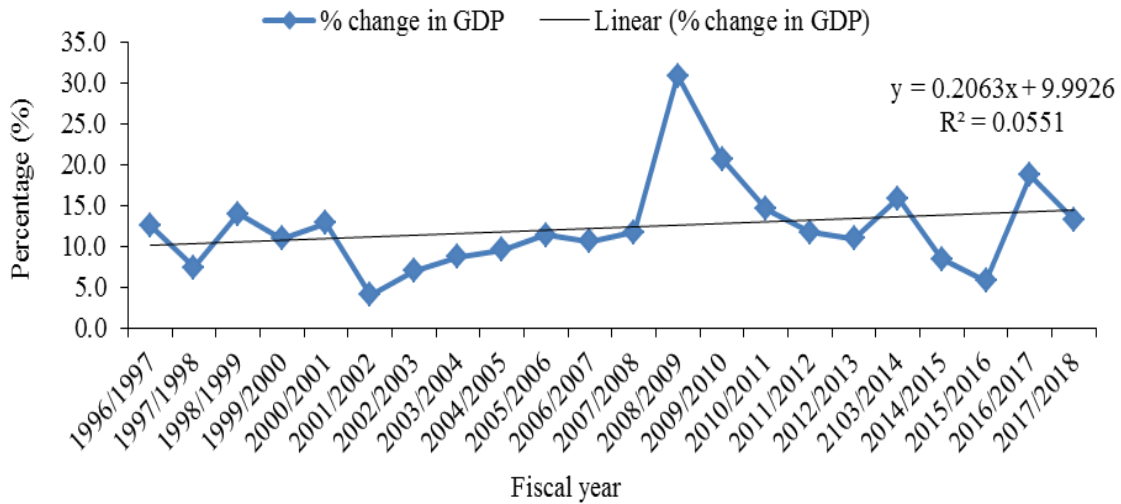


Figure 1. Percentage change in GDP over FY 1996/97-2017/2018 (Source: Economic Survey, 2018/19).

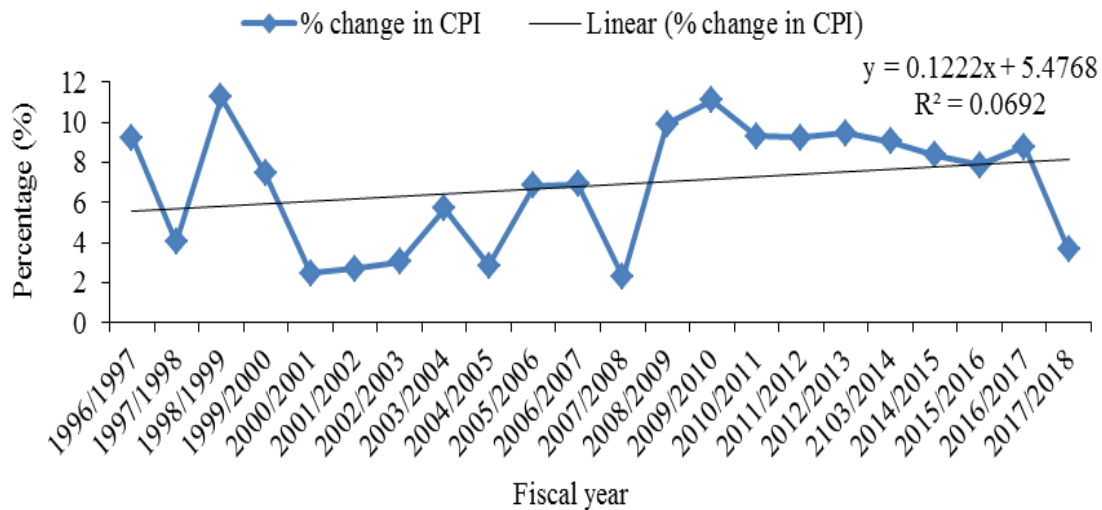


Figure 2. Percentage change in CPI over FY 1996/97-2017/2018 (Source: Economic Survey, 2018/19).

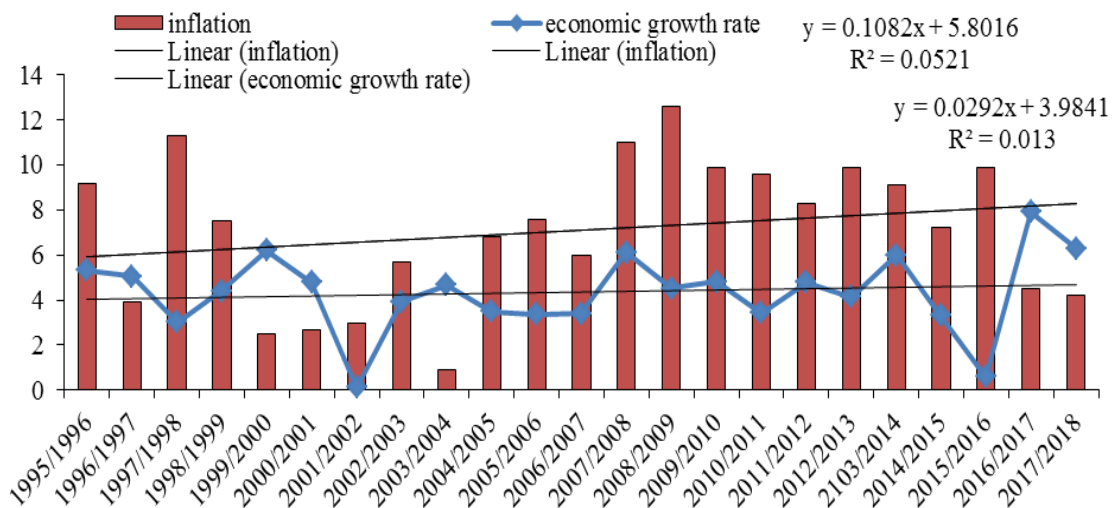


Figure 3. Trend of inflation and economic growth rate over FY 1995/96-2017/2018 (Source: Economic Survey, 2018/19).

Inflation and economic growth in Nepal

Economic growth has always been a substantial part of discussions in context of developing economies like Nepal. Poverty reduction, employment generation, proper utilization of natural resources is only possible through sustained economic growth. Recent studies have manifested that developing countries are equally at high likelihood to erratic inflation rate which may hinder economic growth and poverty reduction goals if not properly addressed on time. It is essential to provide a stable financial environment by controlling inflation to enhance speed of economic growth in Nepal and improve status of Nepal (NRB, 2007). In this regard, maintaining the optimal inflation rate both for short term and mid-term is of paramount importance as it would support high and sustainable economic growth. Bhusal and Silpakar (2011) studied the growth and inflation relationship to estimate threshold level of inflation in Nepal via Granger causality test by using annual data for the period 1975 to 2010. The study reported positive and unidirectional relationship between the inflation to economic growth and found threshold value of inflation to be 6 per cent. Adhikari (2014) found that inflation is detrimental only when it is galloping or even higher. The finding revealed that there is mixed impact of inflation on economic growth. When inflation increases in the current time, the economic agents have no adequate time to adjust with high inflation. As a result the rise in inflation will have negative impact on economic growth. Contrarily, high inflation on foregoing time, the economic agents will have time to adjust during a year and could mitigate with inflation. Consequently, there was positive impact of inflation on economic growth. Bhatta (2015) found threshold at 6 per cent level of inflation rate for Nepal, above which the growth is negatively affected while below threshold growth, is positively affected. NRB (2017) has

estimated the optimal inflation rate in Nepal using ordinary least square method for period between 1978 to 2016. The study concluded that there exists threshold effect of inflation and indicated the turning point of inflation to be 6.25 per cent. It suggested that Nepal should adopt an inflation target range around the computed optimal inflation rate to reduce the inflation expectation and encourage economic growth.

In a nutshell, studies in Nepal about inflation are moving forward methodologically. Scholars have been trying to use more advanced econometric method to express the true empirical tendencies of the variable. They agree upon the fact that mild inflation is not harmful to economic growth unless it is left uncontrolled.

Trend of gross domestic product (GDP)

Table 1 in appendix shows the gross domestic product from fiscal year 1995/96 to 2017/18. GDP was 239300 million rupees in the fiscal year 1995/96 and it has become 3031000 million rupees in the fiscal year 2017/18. GDP is 1074495.65 million rupees in average. GDP was below the average from 1995/96 to 2008/09 whereas it was above the average from 2009/2010 to 2017/2018. GDP is found to be in increasing trend but the percentage change in it is trending in so fluctuated way. The percentage change in GDP is shown in the Figure 1.

Trend of consumer price index

Table 1 in appendix shows the Consumer Price Index (CPI) from fiscal year 1995/96 to 2017/2018. CPI was 40.07 in 1995/96 and it has become 171.80 in 2017/18. CPI is 87.55 in average. CPI was below the average from 1995/96 to 2008/2009 whereas it was above the average from 2009/10 to 2017/18. CPI has been increasing from 1995/96 to 2017/18. The trend of percentage change in CPI is found fluctuated which is shown in Figure 2.

Table 1. Gross domestic product, consumer price index, money supply, foreign aid, economic growth rate and inflation in Nepal (1995/96-2017/18) (APPENDIX); Source: Government of Nepal, Ministry of Finance, Economic Survey 2018/2019.

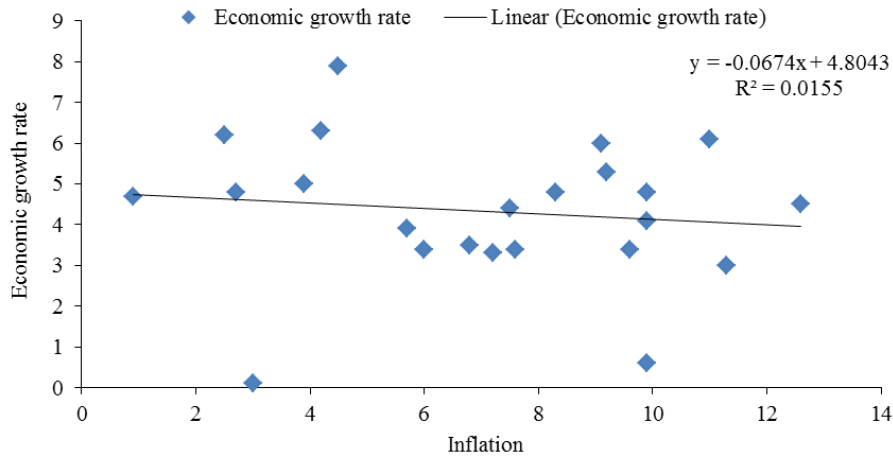
Fiscal year	GDP (Rs. Million)	CPI 2010=100	Money supply M1 (Rs. Million)	Government expenditure (Rs. Million)	Foreign aid (Rs. Million)	Economic growth rate	Inflation
1995/1996	239300	40.07	32985.4	46542.4	7943.4	5.3	9.2
1996/1997	269500	43.76	36498	50723.7	8921.5	5.0	3.9
1997/1998	289500	45.51	38460.3	56118.3	9868.4	3.0	11.3
1998/1999	330000	50.63	45163.8	59579	8518.4	4.4	7.5
1999/2000	366200	54.40	51062.5	66272.5	11072.4	6.2	2.5
2000/2001	413400	55.75	60979.7	79835.1	23459	4.8	2.7
2001/2002	430300	57.25	70577	80072.2	18968.3	0.1	3
2002/2003	460300	58.99	77156.2	84006.1	12988	3.9	5.7
2003/2004	500600	62.35	83754.01	89442.6	19822.9	4.7	0.9
2004/2005	548400	64.13	93973.7	102560.5	20397.2	3.5	6.8
2005/2006	611100	68.51	100205.8	110889.2	17117.7	3.4	7.6
2006/2007	675800	73.25	114388.8	133604.6	16622.2	3.4	6
2007/2008	755200	74.91	126888.6	161349.9	23642.4	6.1	11
2008/2009	988300	82.33	154343.9	219661.9	28197.9	4.5	12.6
2009/2010	1192800	91.47	196459.3	259689.1	32983.9	4.8	9.9
2010/2011	1367000	100.00	218159.3	295363.4	29665.1	3.4	9.6
2011/2012	1527300	109.23	222351.4	339167.5	41007.3	4.8	8.3
2012/2013	1695000	119.56	263705.7	358638.3	35667.1	4.1	9.9
2103/2014	1964500	130.37	301590.2	435052.3	40533.1	6.0	9.1
2014/2015	2130100	141.27	354830	531340	24854.4	3.3	7.2
2015/2016	2253200	152.39	424744.6	601016	70839.4	0.6	9.9
2016/2017	2674600	165.78	503287.1	837248	55421.6	7.9	4.5
2017/2018	3031000	171.80	569402.4	1087280	95765.2	6.3	4.2

Table 1. Summary of correlation test of GDP with CPI, M1, GE and FA.

Variables	Coefficients
Consumer Price Index (CPI)	0.9954***
Money Supply (M1)	0.9923***
Government Expenditure (GE)	0.9715***
Foreign Assistance (FA)	0.8973***

Table 2. Summary of correlation test of CPI with M1, GE and FA.

Variables	Coefficients
Money Supply (M1)	0.9874***
Government Expenditure (GE)	0.9542***
Foreign Assistance (FA)	0.8844***

**Figure 4.** Scatter matrix for correlation analysis of inflation and economic growth.

Trend of inflation and economic growth rate in Nepal

Measurement of prices in Nepal began from 1973 using the expenditure Weightage of the goods and services of the people obtained from first Household Budget Survey. Prior to that, equal weights were assigned for each and every commodity of the basket. From 1995/96 onwards inflation reached double digit in 1997/98 (11.3) and 2008/09(12.6). Nepal witnessed the highest ever-recorded level of inflation, 21 per cent, in 1992 (NRB, 2007). The devaluation of Nepalese rupees vis-a-vis US dollar and other convertible currencies by 20.9 per cent on July 1, 1991 was also responsible for exceptional rise in the rate of inflation during that fiscal year (NRB, 2007). The financial sector reforms and formulation of different policies contributed to remain inflation in the second half of 1990s at 7.85 per cent. During 2001 to 2006, inflation was stabilized at 5 per cent. Favorable weather condition contributed to the increased production of food articles at that period. Unfavorable weather condition as well as deteriorated law and order situation caused inflationary pressure in 2007/2008 at a level of 11 per cent. Over the last few years, Nepal has experienced low inflationary pressure mainly due to significant improvement in agriculture production along with continuous progress in overall supply system, expansion of money supply within desirable limit and low price level in neighboring countries (NRB, 2019). Inflation inched down to 4.2 per cent in 2017/18 from 4.5 per cent in the previous year. The annual average inflation of 2018/19 was found to be 4.5 per cent. In the corresponding period of the previous FY 2017/18, it was 4.2 per cent (Figure 3).

The trajectory of economic growth of Nepal shows a slow and uncertain growth during the last few decades. The economy performed relatively well during the first half of the 1990s, due to improved performance in manufacturing and trade along with the expansion in transport and other services following the economic liberalization policy adopted by the Government. The overall growth rate was 4.9 per cent during the 1990s (NRB, 2007). The growth rate in 2001/02 fell to 0.1 per cent, due to increased internal conflict which shifted the attention of the Government from developmental activities to maintaining security and minimizing the adverse impact of the conflict (NRB, 2007). During the last 15 years (2003/04 - 2017/18), the growth rate has been consistently below five per cent except for the years 2007/08, 2013/14, 2016/17 and 2017/2018. During 2015/16, the growth performance of the economy was severely affected (0.6%) due to the devastating earthquake of April 2015, and the supply disruptions caused by disturbances along the border following the promulgation of the Constitution of Nepal. However, in 2016/17, the economy recovered; it has grown by 7.9 per cent supported by favorable monsoon, improvement in energy supply and the on-going post-earthquake reconstruction works and again fell down to 6.3 per cent by 2017/18. The annual economic growth has remained 4.6 per cent on an average in the last decade. The figure below depicts the economic growth rate and inflation against time. There does not seem to be a discernible relationship between economic growth and inflation.

Relationship between GDP, consumer price index, money supply, government expenditure and foreign assistance

Table 1 shows that the coefficient of CPI is 0.9954 which means that there is very strong association between CPI and GDP. The positive relationship between CPI and GDP supports the Keynesian theory which says that production increases with creeping inflation. Similarly, coefficient of M1, GE and FA shows positive association with GDP. GDP is found to have strong positive correlation with all above variables at 1 per cent level of significance.

Table 2 shows the summary of the correlation of CPI with M1, GE and FA. The coefficient value of M1 is 0.9874 which implies a very strong relationship of M1 with CPI. The positive sign of the coefficient supports theory that is, price increases as quantity of money increases. The coefficient value of GE is 0.9542 which means that there exists a very strong relationship of government expenditure with CPI. The positive sign of the coefficient supports theory that is, price increases as GE increases. The coefficient value of FA is 0.8844 which implies a very strong relationship of FA with CPI.

Correlation between inflation and economic growth

Correlation analysis of inflation and economic growth found the value of coefficient to be -0.1247 which implies that there is negative association between inflation and economic growth but the association was found to be weak. Figure 4 plots economic growth against inflation rate in order to inspect the relationship between these variables. The quadratic trend seems to better fit the data than the linear trend. However, the relationship does not include the effects of other explanatory variables.

Conclusion

One of the most important targets for least developed country like Nepal is to achieve high economic growth. The question that Nepalese inflation is really harmful in the point of view of economic growth or this inflation has the significant role in promoting economic growth is still inconsistent. Even if there are some common or similar findings the relationship between two variables is still inconclusive and controversial. Some studies have revealed positive relationship between the inflation and the economic growth. The inflation and economic growth are one way related to each other, there is one way causal relationship from inflation to economic growth but not from economic growth to inflation. Studies have found that the economic growth at current time is hampered by high inflation of current time and the inflation of preceding time has positive impact on the economic growth of current time concluding net effect of inflation to be positive on the growth of Nepalese economy. It is widely agreed that low and stable inflation brings stability to financial systems and fosters sustainable economic growth over the longer run. Several studies have found the threshold value of inflation to be around 6 per cent for Nepal.

Beyond that level of inflation rate the economic growth can be jeopardized. Therefore it is very important that inflation be controlled in order to address poverty as well as economic growth. It can safely be concluded that policies that stabilizes the inflation to the certain threshold level matters for the long run economic growth.

Open Access: This is an open access article distributed under the terms of the Creative Commons Attribution NonCommercial 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author(s) or sources are credited.

REFERENCES

- Acharya, M. (2019). Relationship between Inflation and Economic growth of Nepal. Tribhuvan University, Nepal.
- Adhikari, R. (2014). Whether Inflation Hampers Economic Growth in Nepal. *IOSR Journal of Economics and Finance*, 5(6): 52–56.
- Akinsola, F.A. and Odhiambo, N.M. (2017). Inflation and Economic Growth: A Review of the International Literature. *Comparative Economic Research*, 20(3): 41–56, <https://doi.org/10.1515/cer-2017-0019>
- Ayd, C., Esen, O. and Bayrak, M. (2016). Inflation and Economic Growth: A Dynamic Panel Threshold Analysis for Turkish Republics in Transition Process. *Elsevier*, 229: 196–205, <https://doi.org/10.1016/j.sbspro.2016.07.129>
- Barro, R.J. (1995). Inflation and Economic Growth. *Annals of Economics and Finance*, 109: 85–109.
- Bawa, S. and Abdullahi, I. (2010). Threshold Effect of Inflation and Economic Growth in Nigeria. *CBN Journal of Applied Statistics*, 3(1): 43–63, <http://hdl.handle.net/10419/142057>
- Bhatta, S.R. (2015). Optimal rate of inflation for Nepal: An empirical investigation. In International Conference on Economics and Finance. Kathmandu.
- Bhattarai, K. (2018). Inflation and Economic Growth: Experiences from Nepal. <https://www.researchgate.net/publication/322628588>, (January).
- Bhusal, T.P. and Silpakar, S. (2011). Growth and Inflation: Estimation of Threshold point for Nepal. *Economic Journal of Development Issues*, 13(1): 131–138.
- Demile, A. (2016). Inflation Growth nexus in Ethiopia Evidence from Threshold Auto Regressive Model. *Ethiopian Journal of Economics*, 24(1): 1–30.
- Fischer, S. (1993). The Role of Macroeconomic factors in Growth. *Journal of Monetary Economics*, 32(3): 485–511.
- Gokal, V., and Hanif, V. (2004). The relationship between Inflation and Economic Growth, Reserve Bank of Fiji. In *Economics Letters* (Vol. 74), [https://doi.org/10.1016/S0165-1765\(01\)00522-5](https://doi.org/10.1016/S0165-1765(01)00522-5)
- Gylfason, T. and Hebertsson, T. (2001). Does inflation matter for growth? Elsevier, 13.
- Harris, M.N., Gillman, M. and Mátyás, L. (2001). The Negative Inflation-Growth Effect: Theory and Evidence, Melbourne Institute Working Paper (No. 12/01).
- Hasanov, F.J. (2011). Relationship between Inflation and Economic Growth in Azerbaijani Economy: Is There Any Threshold Effect? *Asian Journal of Business and Management Sciences*, 1(1): 01–11
- Hussain, S. (2011). Inflation and Economic Growth: Evidence from Pakistan. *International Journal of Economics and Finance*, 3(5): 262–276, <https://doi.org/10.5539/ijef.v3n5p262>
- Khan, M. and Khan, S. (2018). Inflation and Economic growth: Evidence from Five Asian Countries. *Pakistan Journal of Applied Economics*, 28(2): 235–252.
- Khan, M. and Senhadji, A. (2001). Threshold effects in the relationship between inflation and growth (No. WP/00/110, 48(1): 1–21.
- Koirala, T. P. (2006). Inflation Expectations in Nepal. Research Department, Nepal Rastra Bank, 74–85.
- Kryeziu, N. and Durguti, E. (2019). The Impact of Inflation on Economic Growth: The Case of Eurozone. *International Journal of Finance & Banking Studies*, 8(1): 1–9.
- Mallik, G. and Chowdhury, A. (2001). Inflation and economic growth: evidence from South Asian countries. *Asia-Pacific Development Journal*, 8(1): 123–135.
- MoF. (2008). Economic survey FY 2008/09, Ministry of Finance. Kathmandu.

- MoF. (2012). Economic Survey FY 2012/13, Ministry of Finance. Kathmandu.
- MoF. (2018). Economic Survey FY2018 / 19, Ministry of Finance. Kathmandu.
- Mubarik, Y.A. (2005). Inflation and Growth: An Estimate of the Threshold Level of Inflation in Pakistan. *SBP-Research Bulletin*, 1(1): 35-44.
- Mukoka, S. (2018). An Econometric Assessment of the Impact of Inflation on Economic Growth: A Case Study of Zimbabwe Economy. *Science Publishing Group*, 7(1): 17-22, <https://doi.org/10.11648/j.eco.20180701.13>
- Munir, Q., Mansur, K. and Furuoka, F. (2009). Inflation and Economic Growth in Malaysia. *Asean Economic Bulletin*, (October 2014), <https://doi.org/10.1355/ae26-2d>
- NRB. (2007). Inflation in Nepal, NRB special publication, Nepal Rastra Bank. Kathmandu.
- NRB. (2008). Quarterly Economic Bulletin, Nepal Rastra Bank (Vol. 42). Kathmandu.
- NRB. (2017). Optimal Inflation Rate for Nepal. Economic Review. Nepa Rastra Bank, Baluwatar, Kathmandu, Nepal.
- NRB. (2019). Quarterly Economic Bulletin, Nepal Rastra Bank (Vol. 53). Kathmandu.
- Omarova, A., Oralbaeva, Z., Turlybekova, A. and Marat, A. (2020). Influence of inflation on long-term economic growth in the context of the raw material orientation of the national economy. *Business Technology for a Sustainable Environmental System*, 159. EDP Sciences, <https://doi.org/10.1051/e3sconf/202015906003>
- Osuala, A., Osuala, K. and Onyeike, S. (2013). Impact of inflation on economic growth in Nigeria - A causality test. *Journal of Research in National Development*, 11(1): 206-216.
- Paudyal, S.B. (2011). Determinants of Inflation in Nepal: An Empirical Assessment. *NRB Economic Review. Nepal Rastra Bank, Research Department*, 26(2): 61-82.
- Ruzima, M. and Veerachamy, P. (2016). Impact of Inflation on Economic growth: A Survey of Literature Review. *International Multidisciplinary Research Journal*, 5 (10): 1-9.
- Tung, L.T. and Thanh, P. T. (2015). Threshold in the Relationship between Inflation and Economic Growth: Empirical Evidence in Vietnam. *Asian Social Science*, 11(10): 105-112, <https://doi.org/10.5539/ass.v11n10p105>
- Vinayagathan, T. (2013). Journal of Asian Economics Inflation and economic growth: A dynamic panel threshold analysis for Asian economies. *Journal of Asian Economics*, 26, 31-41. <https://doi.org/10.1016/j.asieco.2013.04.001>
- Wai, U.T. (1959). The Relation between Inflation and Economic Development: A Statistical Inductive Study, IMF staff papers, 7(2): 302-317.