

ABSTRACT

This study conducts an in-depth examination of inflation persistence in Indonesia, the Philippines, and Thailand from 2014 to 2023, revealing a pronounced persistence of inflation across these nations. The autoregressive coefficients, which are close to 1, suggest that past inflation significantly affects current inflation in all three countries. Despite this commonality, the inflation dynamics vary among the countries. In Indonesia, inflation expectation and central bank credibility have a significant effect on inflation in the short and long term. In the Philippines, central bank credibility has a short-term and long-term effect on inflation. Meanwhile, in Thailand, inflation expectations have a significant impact in inflation in both the short term and long term. These findings underscore the necessity for customized policy measures that consider each country's distinct characteristics. By addressing these specific inflationary patterns, policymakers can more effectively manage inflation and promote sustainable economic growth.

Keywords: *Inflation persistence, Central Bank Credibility, Hybrid New Keynesian Phillips*