

ABSTRACT

Energy-importing countries in Asia, such as India, Indonesia, and Pakistan, are highly dependent on fossil fuels, making them vulnerable to global energy price fluctuations and exchange rate volatility. These conditions can affect domestic inflation and pose challenges to economic stability. This study aims to analyze the effects of world oil prices, exchange rates, and Gross Domestic Product (GDP) growth on inflation in Asian energy-importing countries during the period 2013–2022.

The study employs panel data estimation using the *Fixed Effect Model (FEM)*. Inflation is used as the dependent variable, while world oil prices, exchange rates, and GDP growth serve as the independent variables.

The regression results show that world oil prices have a positive and significant effect on inflation, while exchange rates have a positive but insignificant effect. Meanwhile, GDP growth has a negative and insignificant effect on inflation.

These findings provide important implications for policymakers, highlighting the need for strategies to minimize the impact of energy price fluctuations and exchange rate volatility on domestic inflation in Asian energy-importing countries.

Keywords: *Fixed Effect Model (FEM), exchange rate, GDP, energy-importing countries, inflation, panel data, world oil price.*