

REGIONAL & SPATIAL ANALYSIS

Analyses of the influence of Oil price on the inflation rate in Iran

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The objective of this study is to evaluate the effects of increasing oil price to inflation rate of Iran. The underlying objective of the project is to provide support for a model that predicts this effect with the non-linear econometric model.

The oil price in developing countries is one of the most important factors. In Iran, public transportation methods (metro-monorail, etc) are very weak, and the Iranian economy is very dependent to the highs and lows of oil price. Hence, we use these factors in the model presented for forecasting inflation rate in Iran.

Keywords: oil price, inflation rate, non-linear model