



Iran's annual inflation rate is 82.5%

By: Steve H. Hanke - April 7, 2013

Sir, In “Iran urged to assess food security as failing agriculture adds to woes” (World News, April 4), Najmeh Bozorgmehr reports Iran’s official annual inflation rate as 28.7 per cent. This statistic does not reflect the most recent official annual data – an inflation rate of 31.5 per cent.

That said, this number is still well below Iran’s actual inflation rate. Indeed, it represents what I would call a “lying statistic”.

Since September 2012, I have been estimating Iran’s inflation rate using a standard, widely accepted methodology. By measuring changes in the black-market (read: free-market) Iranian rial/US dollar exchange rate, it is possible to calculate an implied inflation rate.

When we do so, a much different picture emerges. Iran’s inflation briefly peaked at hyperinflation levels, on October 17 2012, with an annual inflation rate of 204.7 per cent. Currently, Iran’s annual inflation rate is actually 82.5 per cent – a rate more than double the official rate.

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