Figure 3.3.2. Exchange Rate, Profits, and Pass-Through

1. Profit Margin and Nominal Effective Exchange Rate\(^1\)
   (December 2011 = 100)

2. Pass-Through into Export Prices\(^2\)
   (Foreign currency)

Sources: Haver Analytics; and IMF staff calculations.

Note: NEER = nominal effective exchange rate.

\(^1\)Exporters’ profit margins are proxied by one minus the ratio of the input cost to the export price normalized to 100 for December 2011.

\(^2\)Estimated percent change in export prices in foreign currency resulting from a one percent nominal effective appreciation.