



All Content

Images

Search journals, books, images, and more



Search

Browse

[About](#) [Support](#)

Tools

JOURNAL ARTICLE

The J-Curve: Evidence from East Asia

Anil K. Lal and Thomas C. Lowinger

Journal of Economic Integration

Vol. 17, No. 2 (June 2002), pp. 397-415 (19 pages)

Published By: Center for Economic Integration, Sejong University



<https://www.jstor.org/stable/23000659>

[Cite](#)

This is a preview. [Log in through your library.](#)

[Cookies Settings](#)

ITHAKA websites, which ITHAKA manages from its location in the United States, use cookies for different purposes, such as to ensure web site function, display non-targeted ads, provide social media features, and track usage, engaging with third party service providers such as Google Analytics. Some cookies are essential and always active and you may allow others, such as the Google Analytics cookies, as may be needed to use certain functions on the website, by accepting all or managing "Cookie Settings". For more information, please see our [Cookie Policy](#).

Accept Cookies

The J-Curve: Evidence from East Asia

Anil K. Lal

Pittsburg State University

Thomas C. Lowinger

Washington State University

Abstract

This paper examines the determinants of trade balances of seven East Asian countries, using cointegration technique, error correction model, and impulse response function. Among other things, our investigation confirms the existence of J-curve effect and the results show that there are significant differences in the duration and the extent of the J-curve effect across countries. Several explanations consistent with those findings are advanced in the paper, including differences in exchange rate and trade regimes across sample countries. It is likely that liberalization of an exchange rate regime coupled with liberalization of trade may act to dampen the J-curve effect.

- **JEL Classifications:** F1, O1
- **Key Words:** trade, economic development

I. Introduction

Until the mid-1997 financial crisis, the East Asian countries' economic performance had been nothing short of exemplary.¹ The growth rates among countries in the region that averaged from 6 to 8 percent annually for more than a

*Corresponding address: Anil K. Lal, Department of Economics, Finance, & Banking Pittsburg State

ITHAKA websites, which ITHAKA manages from its location in the United States, use cookies for different purposes, such as to ensure web site function, display non-targeted ads, provide social media features, and track usage, engaging with third party service providers such as Google Analytics. Some cookies are essential and always active and you may allow others, such as the Google Analytics cookies, as may be needed to use certain functions on the website, by accepting all or managing "Cookie Settings". For more information, please see our [Cookie Policy](#).

[Cookies Settings](#)

Accept Cookies

Abstract

This paper examines the determinants of trade balances of seven East Asian countries, using cointegration technique, error correction model, and impulse response function. Among other things, our investigation confirms the existence of J-curve effect and the results show that there are significant differences in the...

Journal Information

Journal of Economic Integration aims to provide relevant policy implications on the world economy that has been evolving all the time in all aspects. The Journal is founded by Dr. Choo, Myung-Gun in the second half of the 1980s who was particularly interested in the papers studying the group of economies as the object ...

Publisher Information

Founder of this Journal is Dr. Myung-Gun, Choo who has imagined in the 1980s that “economic integration” will be one of the most important phenomena and would like to establish an economic journal touching upon the issue. He is now a board member of the foundation for Sejong University. Since then, Professor...

Rights & Usage

This item is part of a JSTOR Collection.

For terms and use, please refer to our [Terms and Conditions](#)

Journal of Economic Integration © 2002 [Center for Economic Integration, Sejong University](#).

[Request Permissions](#)

ITHAKA websites, which ITHAKA manages from its location in the United States, use cookies for different purposes, such as to ensure web site function, display non-targeted ads, provide social media features, and track usage, engaging with third party service providers such as Google Analytics. Some cookies are essential and always active and you may allow others, such as the Google Analytics cookies, as may be needed to use certain functions on the website, by accepting all or managing “Cookie Settings”. For more information, please see our [Cookie Policy](#).

[Cookies Settings](#)

Accept Cookies

[Images](#)

[Data for Research](#)

[About JSTOR](#)

[JSTOR Labs](#)

[Mission and History](#)

[JSTOR Daily](#)

[What's in JSTOR](#)

[Careers](#)

[Get JSTOR](#)

[Contact Us](#)

[News](#)

[Webinars](#)

[For Librarians](#)

[For Publishers](#)



JSTOR is part of [ITHAKA](#), a not-for-profit organization helping the academic community use digital technologies to preserve the scholarly record and to advance research and teaching in sustainable ways.

©2000–2023 ITHAKA. All Rights Reserved. JSTOR®, the JSTOR logo, JPASS®, Artstor®, Reveal Digital™ and ITHAKA® are registered trademarks of ITHAKA.

[Terms & Conditions of Use](#)

[Privacy Policy](#) [Accessibility](#)

[Cookie Policy](#) [Cookie Settings](#)

[Cookies Settings](#)

ITHAKA websites, which ITHAKA manages from its location in the United States, use cookies for different purposes, such as to ensure web site function, display non-targeted ads, provide social media features, and track usage, engaging with third party service providers such as Google Analytics. Some cookies are essential and always active and you may allow others, such as the Google Analytics cookies, as may be needed to use certain functions on the website, by accepting all or managing “Cookie Settings”. For more information, please see our [Cookie Policy](#).

[Accept Cookies](#)