



Applied Economics >

Volume 36, 2004 - [Issue 9](#)

360 | 73 | 0  
Views | CrossRef citations to date | Altmetric

Original Articles

# Threshold cointegration and purchasing power parity in the pacific nations

Walter Enders & Kamol Chumrusphonlert

Pages 889-896 | Published online: 22 Aug 2006

Cite this article <https://doi.org/10.1080/0003684042000233104>

Sample our  
Economics, Finance,  
Business & Industry Journals  
 >> [Sign in here](#) to start your access  
to the latest two volumes for 14 days

Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

## Abstract

The paper uses a threshold cointegration methodology to explore the properties of long-run purchasing power parity (PPP) in the Pacific nations. Using Japan and the USA as base countries, it is shown that long-run PPP holds for most Asian countries but that the adjustment mechanism is asymmetric. In contrast to symmetric error-correction models, it is found that asymmetric adjustments of nominal exchange rates play an important role in eliminating deviations from long-run PPP.

Related Research Data

# Real and Monetary Causes of Real Exchange Rate Movements in the Pacific Rim

Source: Southern Economic Journal

## Cointegration and Tests of Purchasing Power Parity

Source: Review of Economics and Statistics

## Does the real exchange rate follow a random walk? The Pacific Basin perspective

Source: Journal of International Money and Finance

## Use of Deviations of Purchasing Power Parity and Interest Rate Parity to Clarify the 1997 Asian Financial Crisis

Source: Review of Pacific Basin Financial Markets and Policies

## Purchasing power parity as a long-run relation

Source: Journal of Applied Econometrics

## Purchasing power parity and unit root tests using panel data

Source: Journal of International Money and Finance

## Co-integration and Error Correction: Representation, Estimation, and Testing

### Related research



People also read

Recommended articles

Cited by  
73

## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources  
by email

 Sign me up

  

  

Copyright © 2026 Informa UK Limited Privacy policy Cookies Terms & conditions

Accessibility



Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG