

## **AN EMPIRICAL INVESTIGATION ON THE SUSTAINABILITY OF THE JAPAN'S BILATERAL IMBALANCE**

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### **ABSTRACT**

This study extends the work by [Tang](#) (2006) to empirically re-investigate the sustainability of Japan's trade accounts by using disaggregated data - her trading regions and countries. The previous study ([Tang](#), 2006) finds Japan's trade balances are unsustainable via aggregate data. Applying the unit root tests with unknown level shifts, this study finds that Japan's bilateral accounts in three of eleven regions and thirteen of twenty eight countries are sustainable.