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THE IMPACTS ON JAPANESE AUTOMOBILE EXPORTS TO THE UNITED STATES

Ryo Sakamoto and Ilaria Ossella-Durbal* Economics Department, Illinois Wesleyan University

The United States is the largest foreign market for Japanese automobile makers and was growing in the United States market rapidly after World War II. However, Japanese automobiles makers are having hard times in the past few years because of some recent events, such as continuous yen appreciation, Toyota Recall and the recession in the United States. Maintaining specific amount of production in Japan is an important issue for Japanese car makers because they want to keep the employment in Japan. Therefore, how automobile exports to the United States are affected by shocks is important for Japanese car makers and for Japan itself. This research focuses on finding how both demand and supply shocks are affecting automobile export to the United States by using empirical analysis.