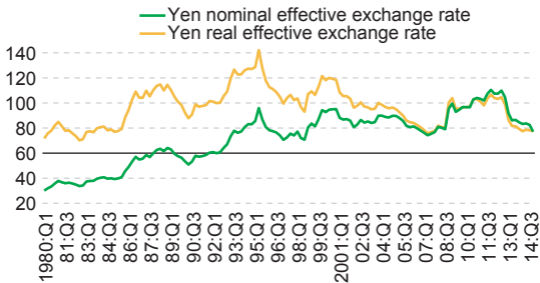


Figure 1.7.1

Yen Effective Exchange Rates Movement

(Index; 2010 = 100)

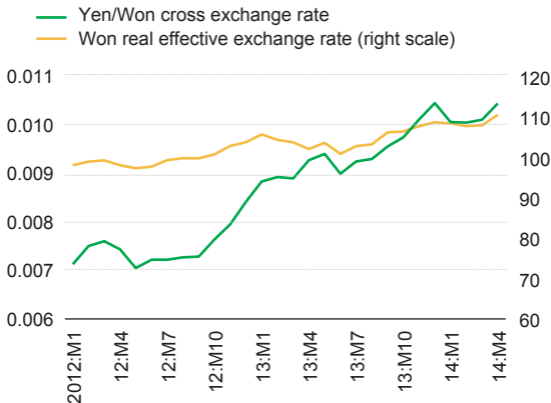


Sources: CEIC Data Co. Ltd.; and IMF staff calculations.

Figure 1.7.2

Developments in Yen/Won Cross Exchange Rate and Won Real Effective Exchange Rate

(Index; 2010 = 100)

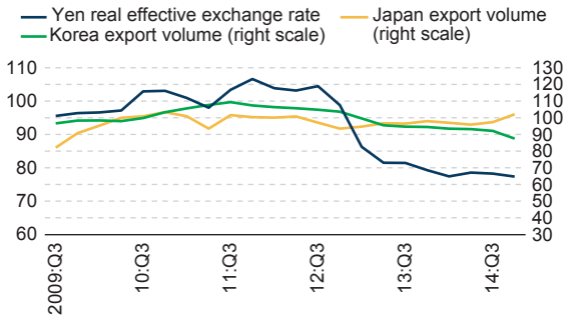


Sources: CEIC Data Co. Ltd.; and IMF staff calculations.

Figure 1.7.3

Japan and Korea Export Volume and Yen Real Effective Exchange Rate

(Index; 2010 = 100)

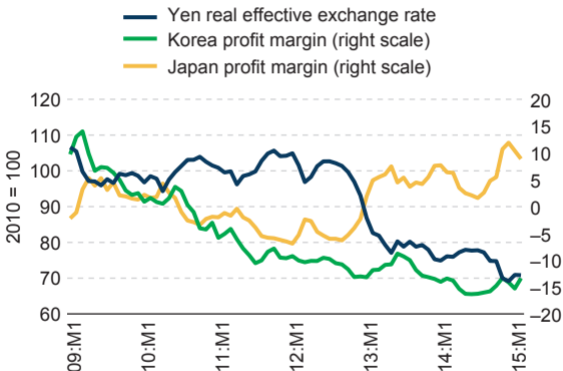


Sources: CEIC Data Co. Ltd.; and IMF staff calculations.

Figure 1.7.4

Relative Profit Margin Movements and Yen Real Effective Exchange Rate

(Index)



Sources: CEIC Data Co. Ltd.; and IMF staff calculations.

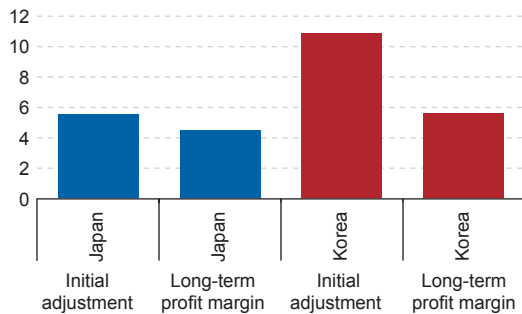
Note: Profit margin is defined as local-currency-denominated export price minus domestic price.

Figure 1.7.5

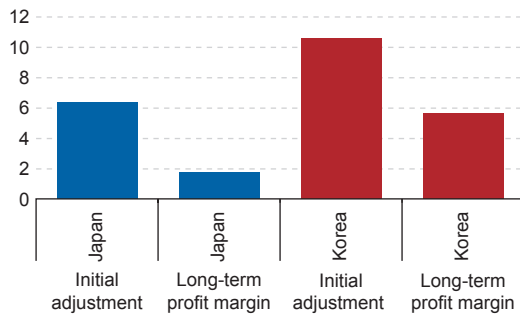
Profit Margin Adjustment in Response to a 10 Percent Real Effective Exchange Rate Depreciation

(Percent)

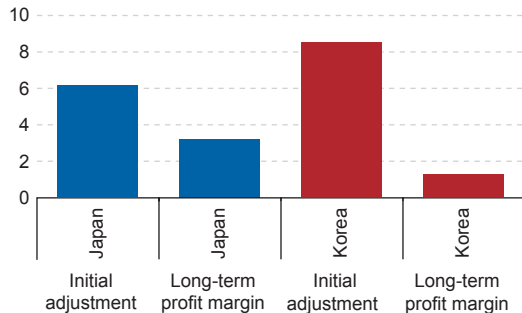
1. Transportation



2. Metal



3. Electronics



4. Textile

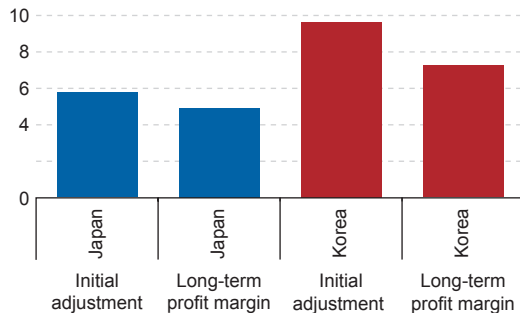
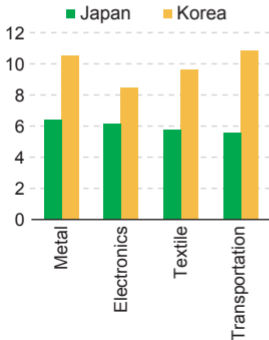


Figure 1.7.6

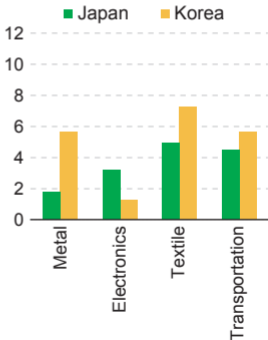
Short- and Long-Term Responses to a 10 Percent Real Effective Exchange Rate Depreciation across Export Sectors

(Percent)

1. Short-term response



2. Long-term response



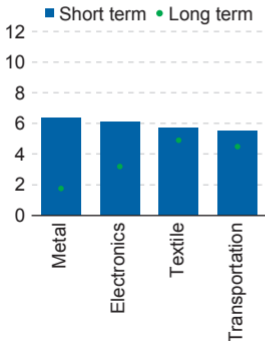
Sources: CEIC Data Co. Ltd.; and IMF staff estimates.

Figure 1.7.7

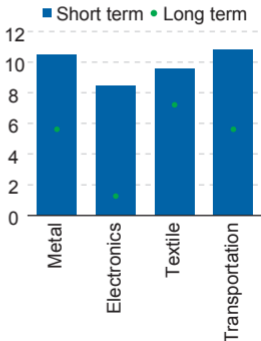
Japan versus Korea: Responses to a 10 Percent Real Effective Exchange Rate Depreciation

(Percent)

1. Japan



2. Korea



Sources: CEIC Data Co. Ltd.; and IMF staff estimates.