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Figure 1: Exchange Rates

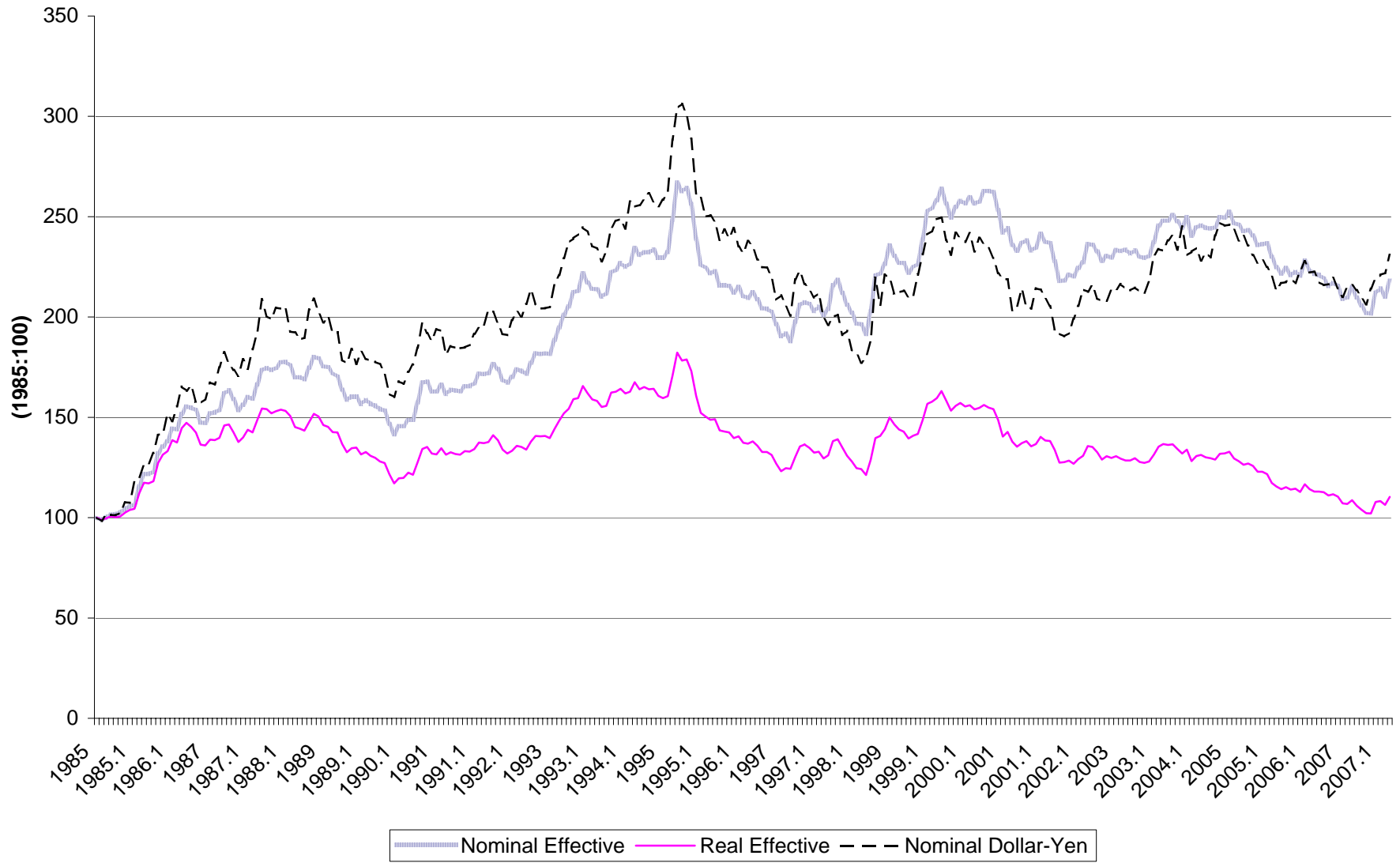
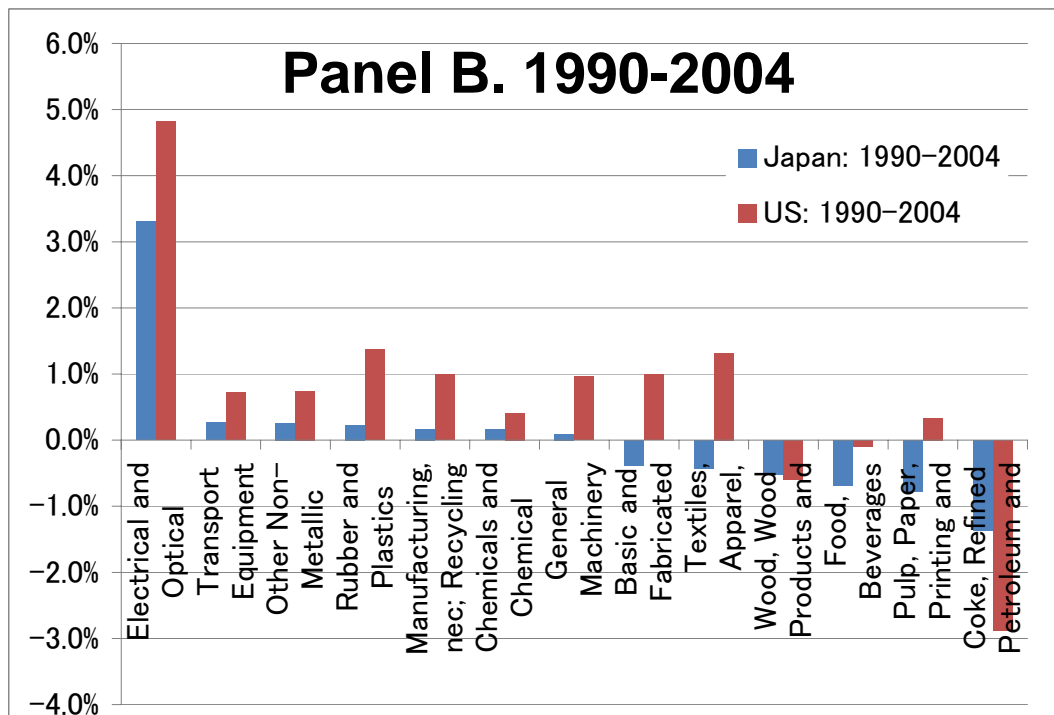
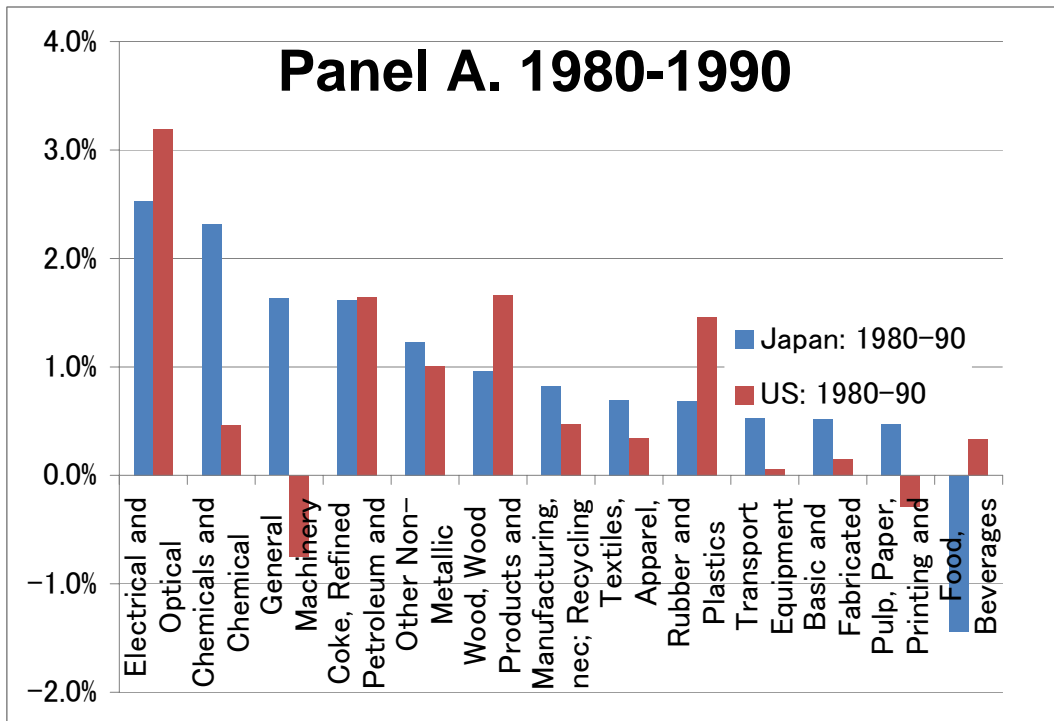


Figure 2 TFG Growth on a Gross Output Basis by Sector and by Period: Japan-US Comparison



Source: EU KLEMS Database, March 2007

Figure 3 Electrical and Optical Equipment

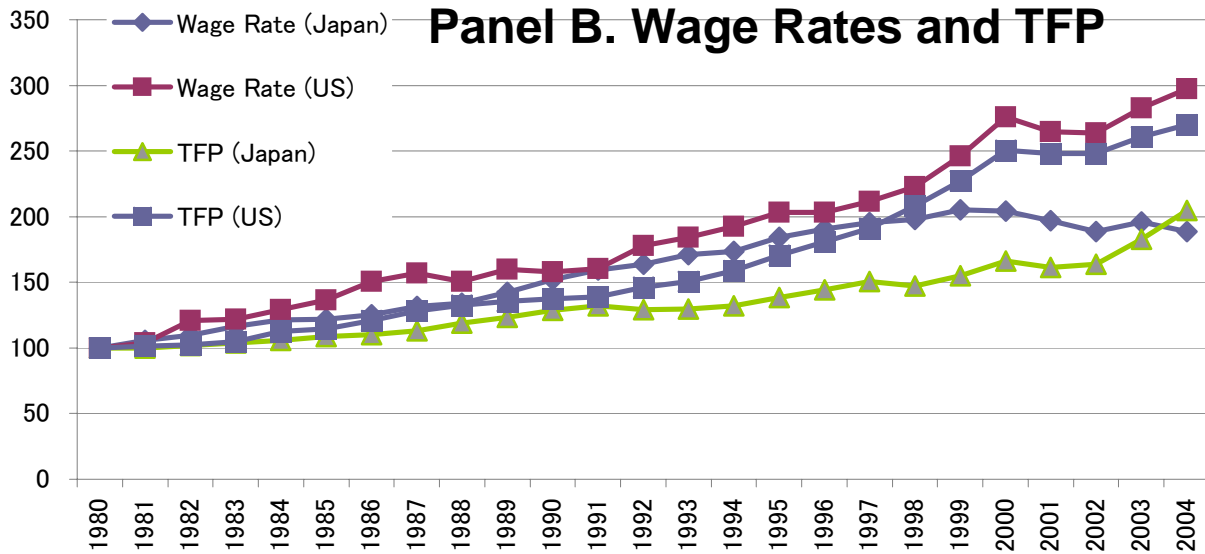
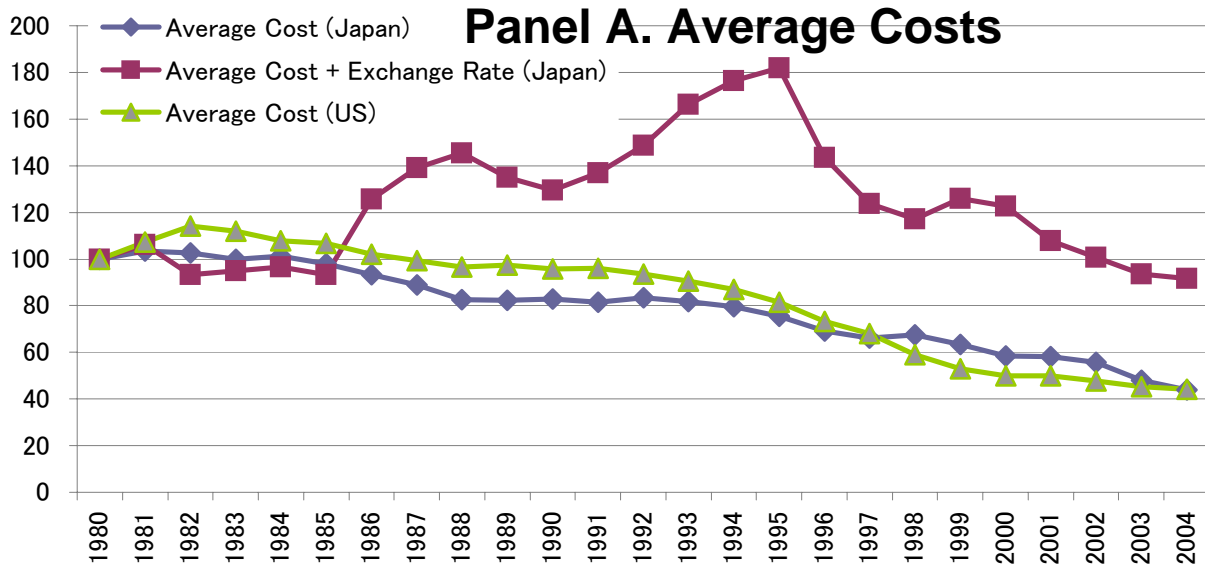


Figure 4 Rubber and Plastics

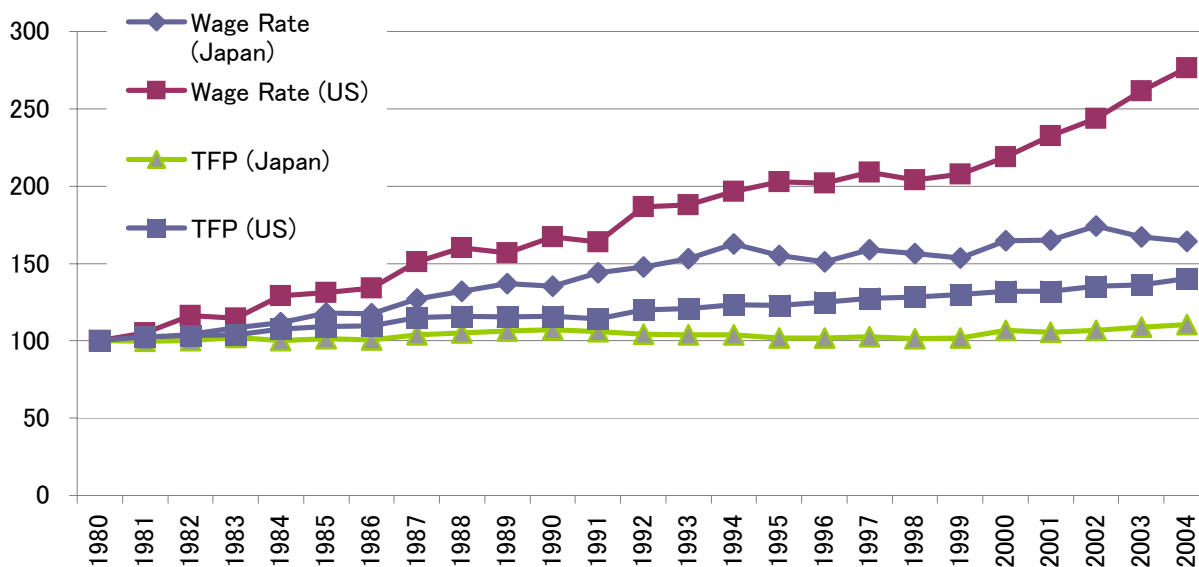
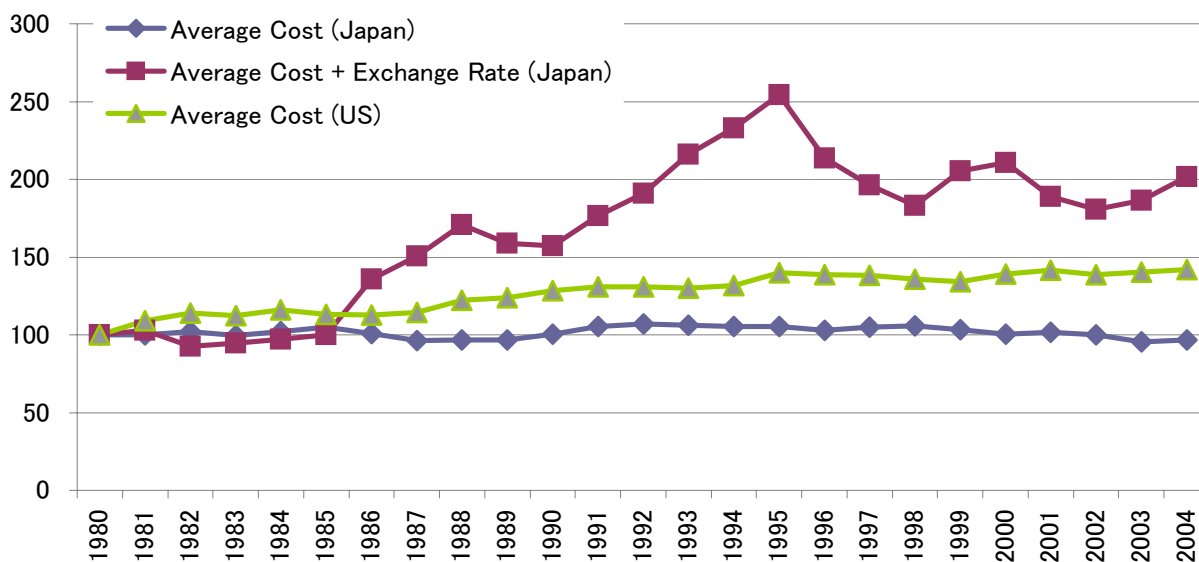


Figure 5 Textiles, Apparel, Leather and Footwear

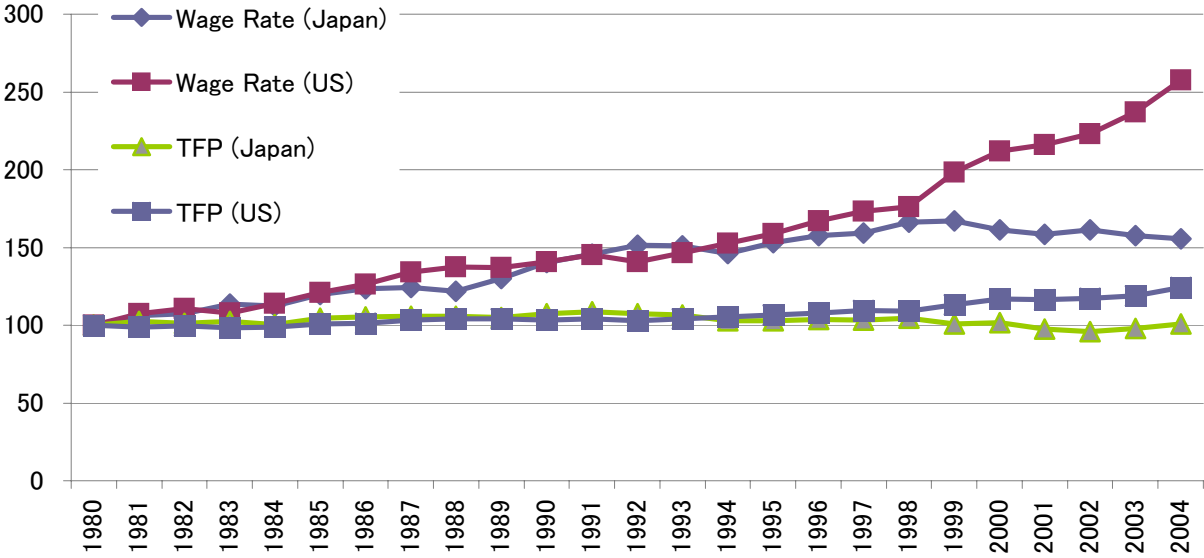
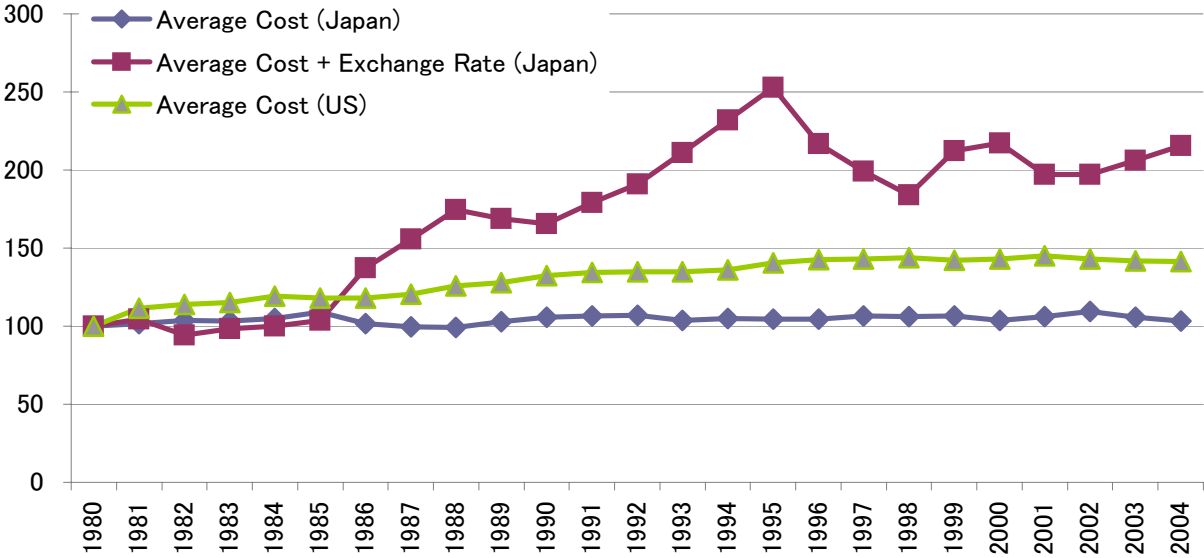


Figure 6 Transport Equipment

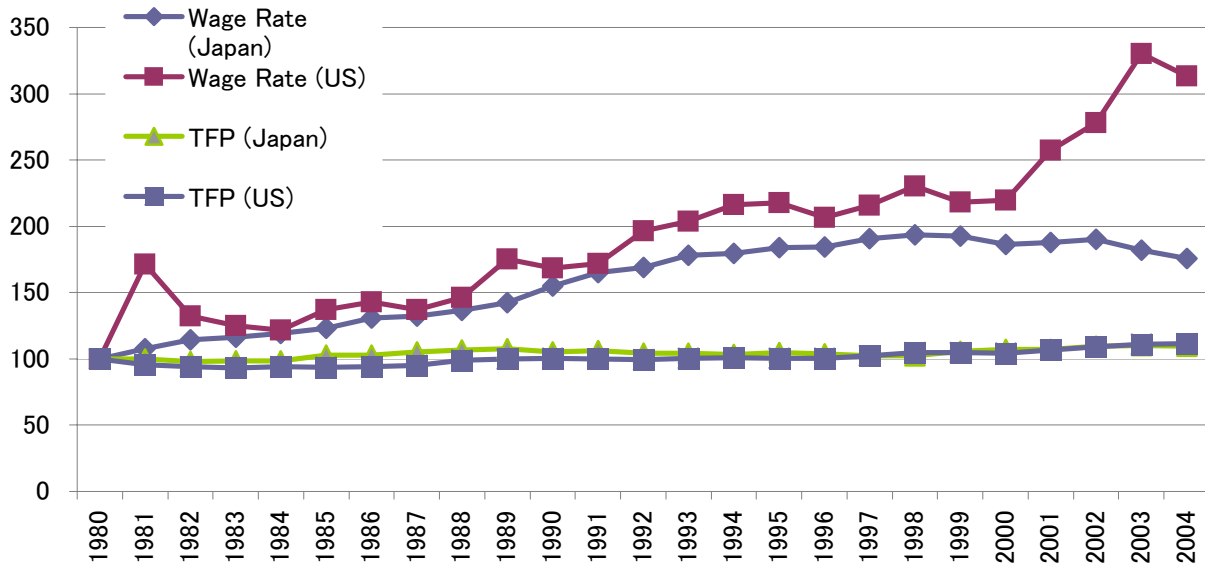
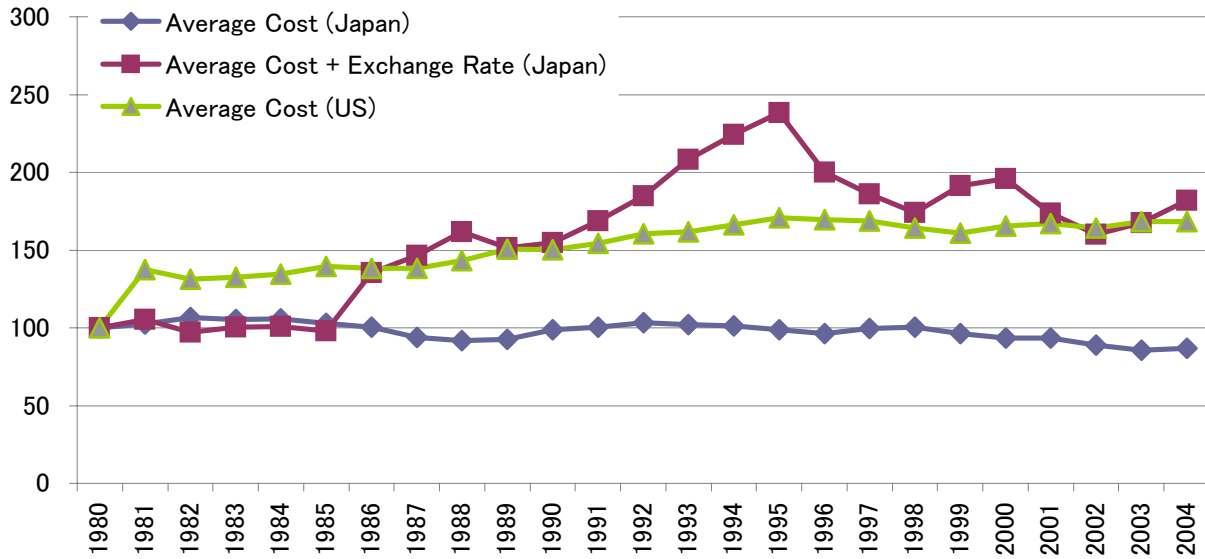
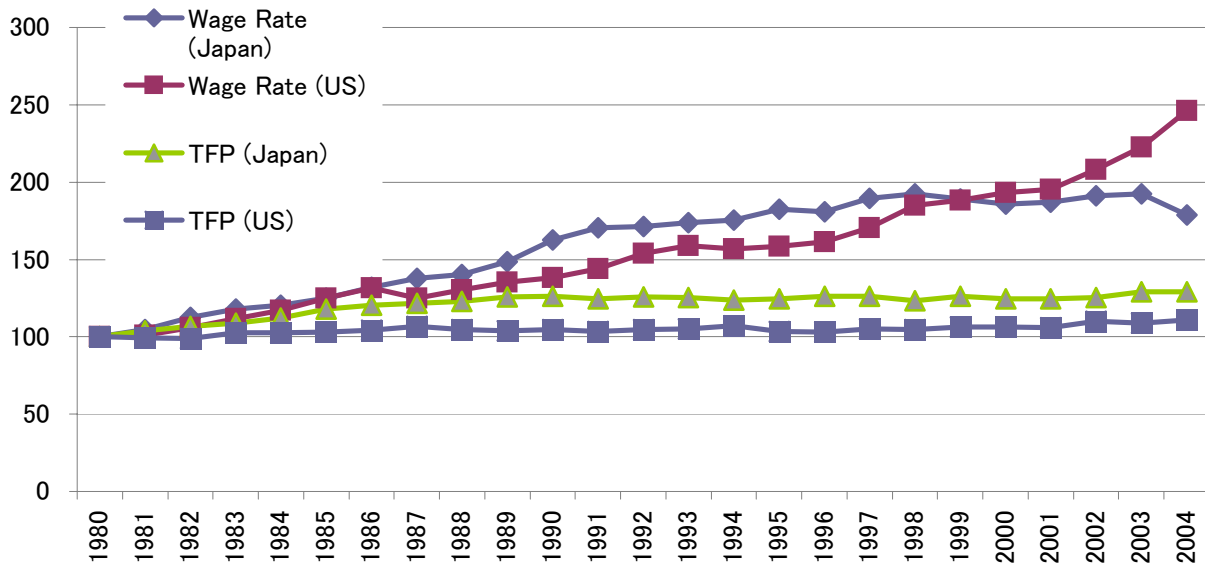
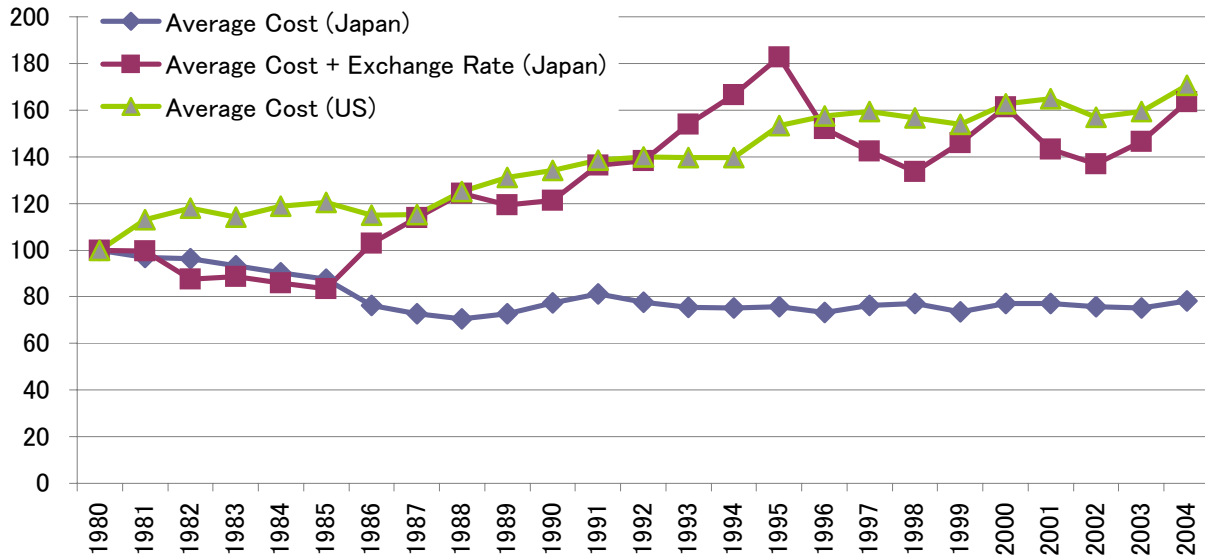


Figure 7 Chemicals and Chemical Products



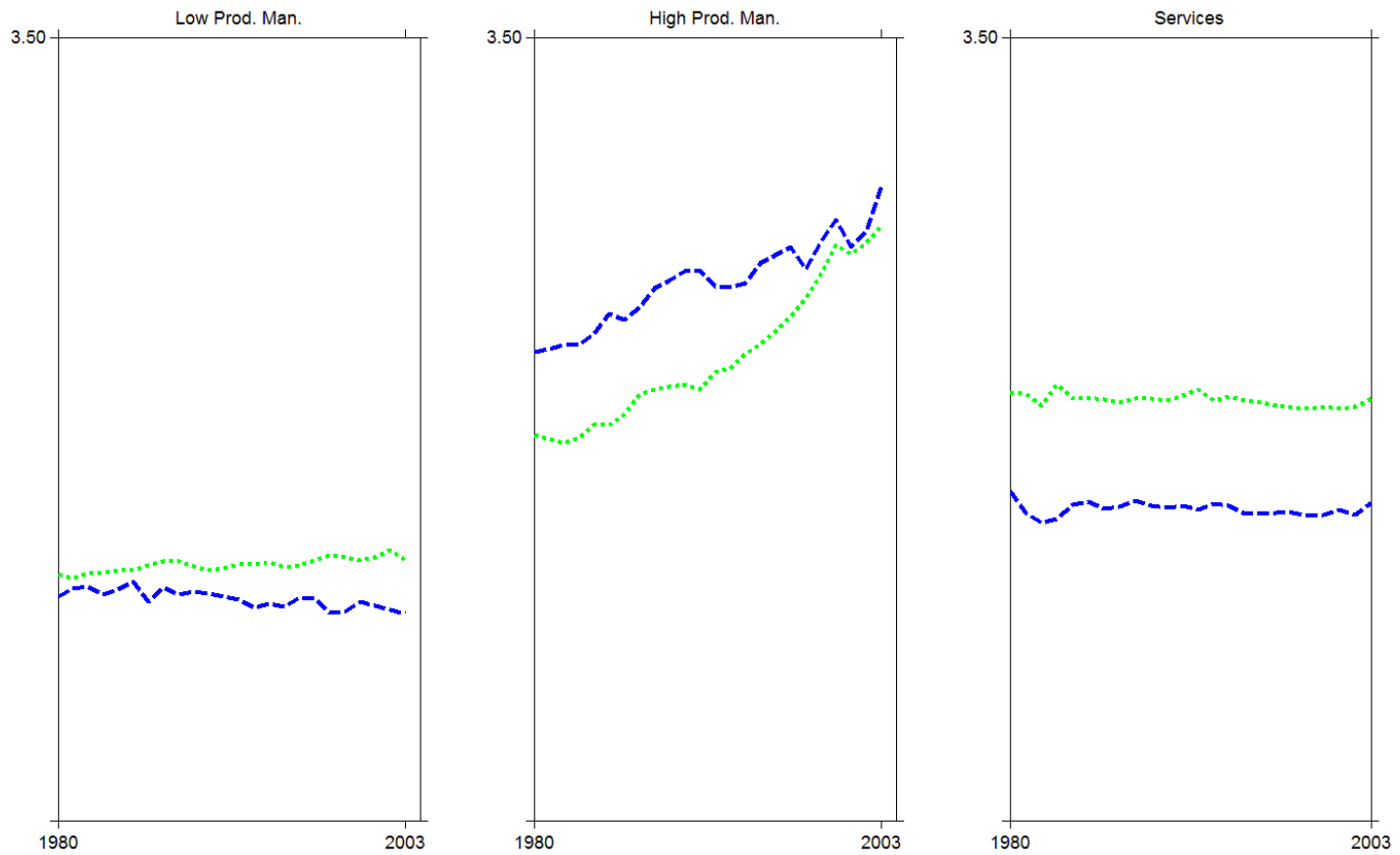


Figure 8: Labor Productivity (Output per Hour) in Low Productivity Manufacturing, High Productivity Manufacturing, and in Services in Japan and in the U.S.

Dotted: U.S. Labor Productivity; Dashed: Japanese Labor Productivity.

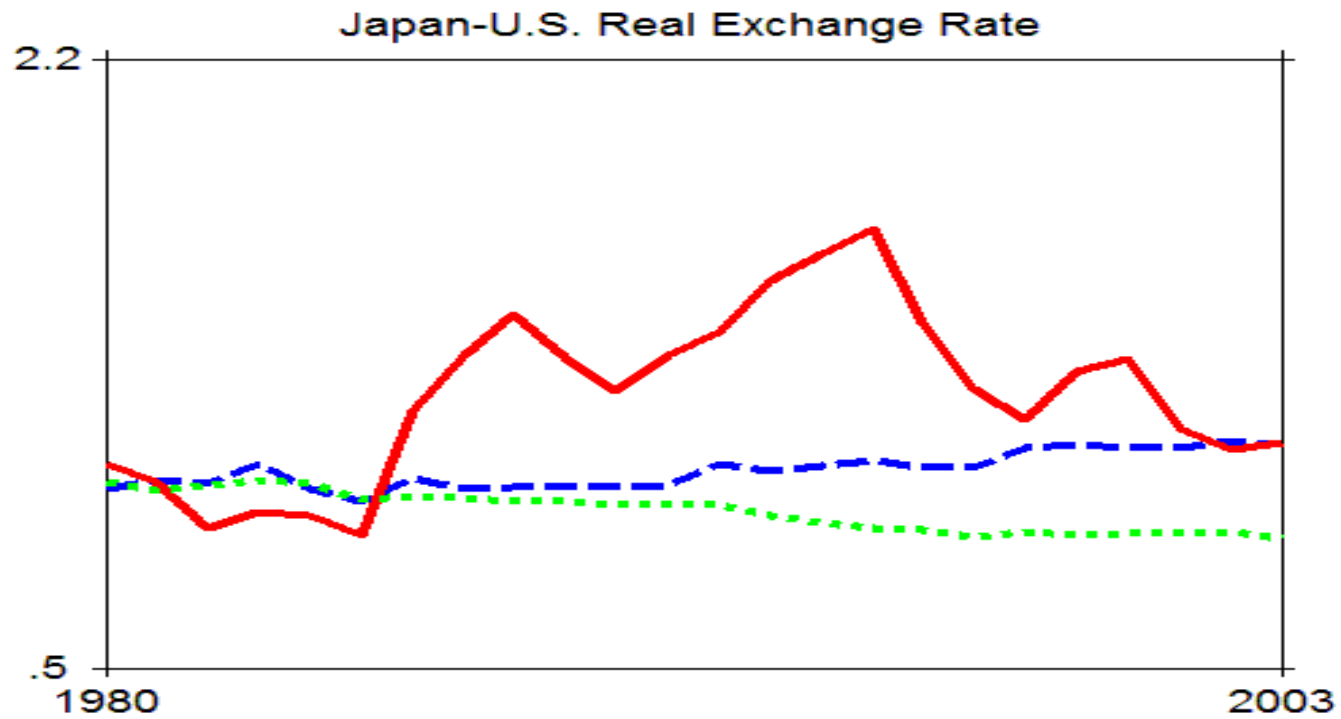


Figure 9: The Ratio of the Price Index of Japanese Goods to the Price Index of U.S. Goods, Market Dollar-Yen Exchange Rate, Purchasing Power Parity (PPP) Exchange Rate, and Model Simulated Equilibrium Real Exchange Rate.

Solid: Evaluated at Market Exchange Rate; Dotted: At PPP Exchange Rate; Dashed: Model Simulated Exchange Rate.

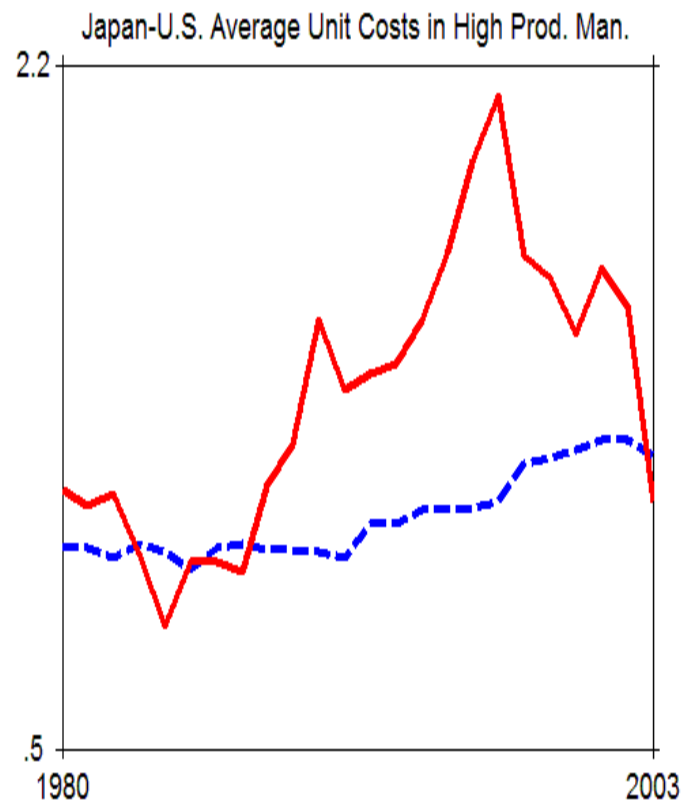
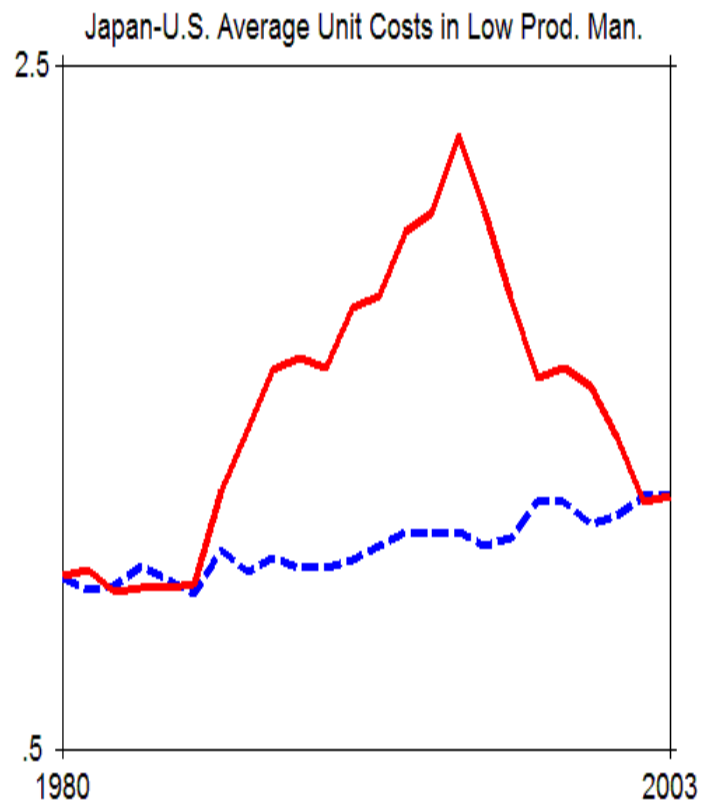


Figure 10: The Ratio of Japanese Average Unit Costs to U.S. Unit Costs, Data and Model Simulated Results.

Solid: Data; Dashed: Model.

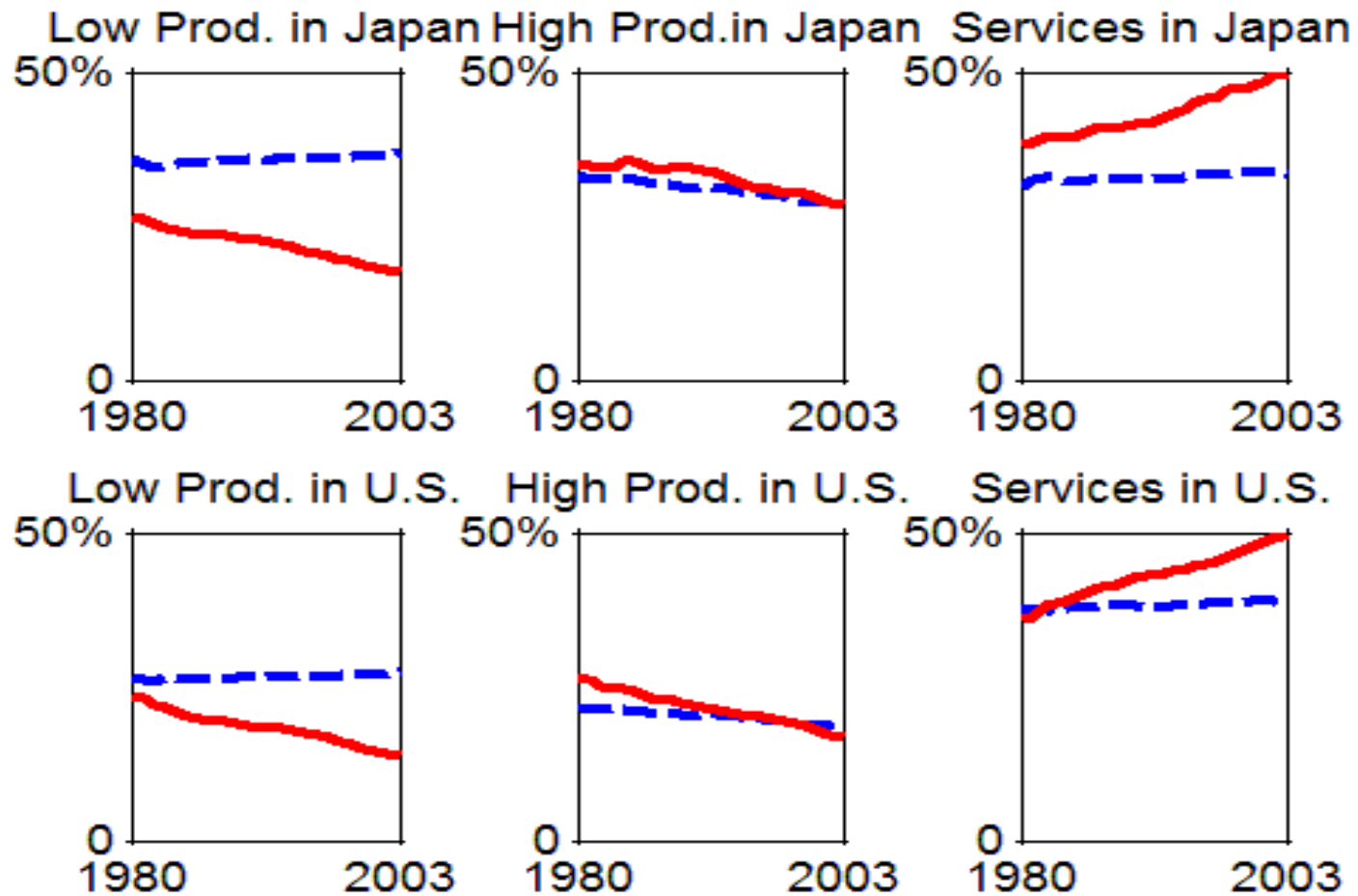


Figure 11: Share of Sectoral Employment in Total Employment.

Solid: Data; Dashed: Model.