

# Disequilibrium Analysis of the Loan Market: Were the 1990's in Disequilibrium

Liu Zhentao

Graduate School of Economics,  
Hitotsubashi University, Tokyo, Japan

[ed031009@srv.cc.hit-u.ac.jp](mailto:ed031009@srv.cc.hit-u.ac.jp)

Kazumi Asako

Institute of Economic Research,  
Hitotsubashi University, Tokyo, Japan

[cr00263@srv.cc.hit-u.ac.jp](mailto:cr00263@srv.cc.hit-u.ac.jp)

## **Abstract**

In this paper we investigate almost thirty years of the Japanese bank loan market since the early 1970's by following the disequilibrium analysis of Asako and Uchino (1986). We improve their methods by taking account of great changes in the conditions of Japanese economy over this period. The fact has been well confirmed that the market lending rate is not the equilibrium one but is adjusting itself toward the equilibrium interest rate and policy interest rate concurrently.

*Keywords:* Disequilibrium analysis; Bank loan market; Equilibrium interest rate.

*JEL:* C51; E44; E51; G21;