

## Testing for asymmetry in Indonesian Business Cycles

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This paper investigates whether or not the major Indonesian macroeconomic variables exhibit systematic asymmetric behaviour over various phases of the business cycle. The asymmetric behaviour of the US unemployment cycles was extensively studied using Markov and nonparametric procedures. Subsequently, several studies have used a methodology developed by Sichel (1993) and examined the asymmetry mainly in OECD countries' business cycles. Since the emerging economies have major influence on global economic conditions, we study the behaviour of the business cycles of one of these economies, Indonesia. Using the Sichel (1993) procedure we test for two types of asymmetry, 'deepness' and 'steepness', in Indonesian quarterly petroleum production, consumer prices and two monetary aggregates for the post-1970 period. Cyclical asymmetry is not evident in these series.

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