

East Asia's Economic Crossroads: Navigating Global Shocks in 2026

Global Finance · Answer Key · 15 Questions

1. Which of the following global events is a primary driver of increased energy and commodity costs impacting East Asian economies in 2026?

- A) A prolonged conflict in the Middle East**
- B) A trade dispute between Canada and Mexico
- C) Technological advancements in renewable energy
- D) Increased tourism in Southeast Asia

2. South Korea is actively working to enhance its resilience against trade disruptions. What has been a significant factor creating this vulnerability?

- A) Increased dependence on imports from China and exports to the United States**
- B) A decrease in demand for semiconductors globally
- C) Over-reliance on domestic tourism
- D) A surplus of rare earth minerals

3. Taiwan's semiconductor industry is a critical global player. What is a major factor driving its growth and demand in 2026?

- A) Surging demand for Artificial Intelligence (AI) and High-Performance Computing (HPC)**
- B) A decline in global trade of electronics
- C) Reduced investment in research and development
- D) The widespread adoption of cryptocurrency mining

4. According to recent forecasts, what is the projected growth rate for the ASEAN-6 economies in 2026, despite facing global headwinds?

- A) Approximately 4.2%**
- B) Around 8%
- C) Close to 10%
- D) Less than 2%

5. What has been a significant factor contributing to the slowdown in China's economic growth in 2026?

- A) Weak domestic purchasing power and a slow property sector recovery**
- B) A massive surge in foreign investment
- C) Strong export growth to the United States
- D) A rapid increase in consumer spending

6. In May 2026, Tokyo's core inflation rate remained below the Bank of Japan's target. What measure helped soften the impact of rising global energy costs?

- A) Government subsidies for fuel and utilities**
- B) An increase in interest rates by the Bank of Japan
- C) A significant depreciation of the Japanese Yen
- D) Reduced government spending

7. What is identified as a critical risk to the ASEAN+3 region's economic outlook due to ongoing geopolitical tensions?

- A) Disruptions to global energy supply and prices**
- B) A decline in tourism revenue
- C) Reduced demand for technology exports
- D) An oversupply of manufactured goods

8. Which East Asian economy has seen a significant surge in its semiconductor industry's revenue in early 2026, driven by AI demand?

- A) Taiwan**
- B) Japan
- C) South Korea
- D) Singapore

9. The US-China trade relationship is evolving. What strategy is China employing to circumvent US trade and investment barriers?

- A) Diversifying supply chains across regions like Southeast Asia and Latin America**
- B) Increasing direct trade with the United States
- C) Reducing its manufacturing output
- D) Forming exclusive trade alliances with European nations

10. Which of the following luxury housing markets in Asia experienced the strongest growth in 2025, driven by favorable currency dynamics and low borrowing costs?

- A) Tokyo**
- B) Seoul
- C) Manila
- D) Singapore

11. South Korea's government has proposed that the G20 focus on practical solutions for stabilizing which critical supply chains in the postwar era?

- A) Energy and critical minerals**
- B) Agricultural products and textiles
- C) Luxury goods and electronics
- D) Automotive parts and pharmaceuticals

12. What is a major factor contributing to the continued strength of Taiwan's semiconductor industry, despite global disruptions?

- A) Its central role in the global supply chain for advanced chip manufacturing and packaging**
- B) A shift away from producing high-end chips
- C) Reduced investment in research and development
- D) Increased competition from domestic Chinese chip manufacturers

13. How is the ongoing conflict in the Middle East directly impacting East Asian economies, beyond just energy prices?

- A) Disruptions to industrial inputs like helium and sulfur**
- B) A decrease in demand for consumer electronics
- C) An increase in agricultural yields
- D) A surge in tourism to the region

14. Which East Asian technology sector is experiencing a significant boom in 2026, with companies like TSMC reporting substantial profit jumps?

- A) Semiconductors**
- B) Renewable energy
- C) Biotechnology
- D) Virtual reality development

15. Which of the following is a key trend shaping China's trade policy in 2026 as outlined in its Fifteenth Five-Year Plan?

- A) Increased emphasis on regional cooperation through mechanisms like RCEP**
- B) A complete withdrawal from international trade agreements
- C) A focus solely on trade with the United States
- D) Reduced investment in advanced manufacturing