

# East Asian Economies Navigate Global Shifts: Tech Wars, Digital Trade, and S

East Asia Economy · Answer Key · 12 Questions

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**1. In the context of US-China technological competition, what is Taiwan's primary role in the global semiconductor industry, and what percentage of advanced chip manufacturing capacity does it hold?**

A) Taiwan is a key assembler of final products; it holds approximately 20% of advanced chip manufacturing capacity.

B) Taiwan is a major designer of chip architectures; it holds approximately 50% of advanced chip manufacturing capacity.

**C) Taiwan is the dominant producer of advanced chips through TSMC; it holds over 90% of advanced chip manufacturing capacity.**

D) Taiwan is a significant supplier of raw materials for chip production; it holds approximately 30% of advanced chip manufacturing capacity.

**2. Which East Asian nation is significantly boosting its foreign direct investment (FDI) in high-tech sectors like electronics and automotive, driven by Chinese companies seeking to expand operations or shift production, with a notable 38.6% increase in FDI in early 2024?**

A) South Korea

B) Japan

**C) Vietnam**

D) Philippines

**3. South Korea's semiconductor industry faces significant pressure due to US-China tech competition. What is a key constraint imposed by the US on South Korean firms receiving semiconductor subsidies for facilities in the United States?**

**A) A limitation on expanding production capacity in China to above 5% for ten years.**

B) A requirement to exclusively use US-based technology for all future chip production.

C) A ban on exporting any semiconductor-related products to China for five years.

D) An obligation to transfer all intellectual property related to chip manufacturing to US entities.

**4. China's digital economy is rapidly expanding. By 2024, what percentage of the country's total service trade is targeted for digital trade (DDT) to achieve by 2029, reflecting its strategic shift in international commerce?**

A) 15 percent

**B) 45 percent**

C) 60 percent

D) 75 percent

**5. Which East Asian country's tourism sector has seen a strong rebound in 2024, nearing pre-pandemic levels with an estimated 35 million visitors, significantly supported by visa exemptions for Chinese tourists and restored flight capacity?**

- A) Japan
- B) Thailand**
- C) South Korea
- D) Indonesia

**6. Regarding South Korea's semiconductor industry and the US-China tech war, what strategic concern is highlighted about China's increasing competitiveness in memory chip technologies as of early 2025?**

- A) China is now behind the US and South Korea in memory chip technologies.
- B) China has surpassed South Korea to rank second in memory chip technologies, only behind the US.**
- C) China's progress in memory chips is limited to legacy products with no significant market share.
- D) South Korea's dominance in memory chips remains unchallenged by China's advancements.

**7. In 2024, Vietnam experienced a significant surge in Foreign Direct Investment (FDI). Which East Asian investors are particularly boosting their investments in Vietnam, focusing on high-tech, electronics, and automotive sectors?**

- A) Investors from the Middle East
- B) Investors from Australia and New Zealand
- C) Investors from China and Singapore**
- D) Investors from the European Union

**8. The Philippines' Business Process Outsourcing (BPO) industry is a major economic contributor. What was the estimated revenue for the Philippine BPO sector in 2024, and what percentage of the nation's GDP does it contribute?**

- A) \$25 billion, contributing 5% to GDP
- B) \$38 billion, contributing 8% to GDP**
- C) \$50 billion, contributing 10% to GDP
- D) \$15 billion, contributing 3% to GDP

**9. Indonesia's financial services sector is rapidly growing, with its digital economy projected to reach \$146 billion by 2025. What is a key initiative by Bank Indonesia to create secure and interoperable digital financial systems?**

- A) Implementing a new gold-backed digital currency.
- B) Developing the 'Indonesia Payment System Blueprint 2025-2030'.**
- C) Restricting all foreign investment in FinTech companies.
- D) Phasing out all physical bank branches by 2028.

**10. Japan's e-commerce market is highly mature. In 2024, what was the approximate value of Japan's B2C e-commerce market, and what percentage of total e-commerce sales were domestic?**

- A) ¥15 trillion, with 70% domestic sales
- B) ¥27.4 trillion, with 95% domestic sales**
- C) ¥50 trillion, with 50% domestic sales
- D) ¥10 trillion, with 85% domestic sales

**11. North Korea is reportedly circumventing UN sanctions. What are two primary methods identified in reports from late 2024 and early 2025 for Pyongyang to generate illicit revenue and fund its weapons programs?**

- A) Increasing tourism from South Korea and exporting agricultural products.
- B) Engaging in cyber operations targeting the blockchain and cryptocurrency industry, and deploying IT workers abroad.**
- C) Establishing new free trade agreements with Western nations and attracting foreign direct investment in manufacturing.
- D) Developing its domestic rare-earth mineral exports and engaging in legal international trade.

**12. In the context of global supply chain reconfigurations due to US-China tensions, what pragmatic approach is advised for ASEAN nations regarding choosing between US or Chinese supply chain systems?**

- A) To fully align with the US supply chain system to gain technological advantages.
- B) To exclusively integrate with the Chinese supply chain for market access and manufacturing scale.
- C) To continue taking a pragmatic approach and reject choosing sides, as forcing a choice would be disruptive.**
- D) To create a separate, independent ASEAN supply chain system to mitigate global risks.