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CHINA

China to develop high-tech industries by 2030

At a press conference hosted by the [State Council Information Office](#) on 26 August, Vice Minister of Industry and Information Xin Guobin highlighted China's plans to develop a range of high-tech and emerging industries by 2030 as drivers of economic growth. The industries include next generation [6G communications](#), quantum technology, brain-computer interfaces and nuclear fusion among others. Liu Yulin, head of the ministry's information and communications development department, informed that top priority will be accorded to 6G communications, whereby the ministry will accelerate core technology research, trials and development of industry standards to advance its rapid commercialisation. Besides, the Chinese government also intends to step up embodied AI that will enable robots and automated machines to learn and quickly adapt to their environment. During the press meet, the officials also pledged to renew efforts to curb involution in the domestic automotive industry.

Interest from Asian countries regarding Chinese advanced fighters

Zahed Ur Rahman, the Press and Broadcasting Advisor to the Prime Minister of Bangladesh, [stated](#) on August 25 that Bangladesh is moving towards formal negotiations to buy advanced combat aircraft from China. A draft proposal for the deal had been submitted to the Ministry of Finance and the Armed Forces Division for final approval. The draft proposal includes the purchase of J-10CE fighter jets, attack helicopters, VIP

transport helicopters and unmanned aerial vehicle (UAV) systems, according to the Press Information Department (PID), the Dhaka government's official news agency. Rahman [said](#), "If the funds are secured, this procurement could be completed this year; if not, it will happen next year." However, he did not disclose the number of aircraft Dhaka plans to purchase, the value of the deal, or the delivery schedule, stating that these details would be determined through negotiations. The proposed deal aims to replace the ageing F-7 fighter jets of the Bangladesh Air Force, and will also include pilot training, specialized ground support equipment, the construction of domestic maintenance infrastructure, and capabilities for long-term weapons integration.

Meanwhile, footage [released](#) by Uzbekistan's defence ministry confirms that the country has purchased at least six J-10CE fighter jets from China. Uzbekistan becomes the second country after Pakistan, and the first country from Central Asia, to purchase the J-10CE. According to local media reports, the Uzbek Air Force's fleet has been supplemented by four J-10CEs, and the total contract may involve as many as 24 such fighters. Though local reports suggest various details of the deal, neither Tashkent nor Beijing has provided official confirmation.

The J-10CE, a 4.5 generation multi-purpose fighter aircraft developed by Chengdu Aircraft Industry (Group) Co. Ltd., features a single engine configuration, an Active Electronically Scanned Array (AESA) radar, advanced electronic warfare systems and electronic countermeasures. It can be equipped with long-range air-to-air missiles.

TAIWAN

Record growth in Taiwan's export-oriented manufacturing sector

Taiwan's Institute of Economic Research (TIER) has reported that a [significant increase](#) in Taiwan's export-oriented manufacturing activity in July to the tune of 2.03 percent was recorded over the previous month, a "red-light" indicating "overheating" of the industry. TIER uses a five-colour system to evaluate manufacturing activities, with "red for booming or overheating", "yellow-red for fast growth", "green for stable growth", "yellow-blue for sluggish growth" and "blue for contraction". The last time such "overheating" was witnessed was in April 2021. Reportedly, the economic boom has been fuelled by strong global demand for [AI-related products](#). The survey report also noted that along with the electronics component industry, the computer and optoelectronics, machinery plastics and rubber industries registered surge in manufacturing. However, whether this expansion in manufacturing will maintain its momentum through the second half of the year remains to be seen.

India, Taiwan ink MoU on public finance

The media [reported](#) that India and Taiwan concluded a Memorandum of Understanding (MoU) on Public Finance Cooperation. The MOU is expected to deepen existing fiscal cooperation between them. It proposes a regular institutional mechanism for exchange of best practices for the purpose. The MoU further advances the cooperation being undertaken through a 2011 MoU on double taxation and customs assistance.

It should be noted that India ranked as Taiwan's 15th-largest trading partner in 2025. Bilateral trade also showed an uptick. It climbed to a record USD 12.51 billion in 2025 from USD 10.61 billion in 2024, registering a 17.95 per cent growth.

JAPAN

Japan Cabinet okays consumption tax cut

Japan's Cabinet [approved](#) a drastic reduction in Japan's consumption tax on 5 August, adding its imprimatur to Prime Minister Sanae Takaichi's key election pledge. The consumption tax, an indirect tax equivalent to the Goods and Services Tax levied in India, was introduced in 1989, and has since continued to serve as a political hot potato for successive administrations. After the bill proposing the tax cut passes the Diet, the current rate of 8 percent will be reduced to 1 percent for the next two financial years starting April 2027. Coupled with handouts to low- and middle-income earners, Prime Minister Takaichi's administration aims to curb inflation in key sectors such as foodstuffs while providing ready cash to consumers to boost spending and consumption.

The move has attracted significant concern, even within her own Liberal Democratic Party. Fiscal hawks, concerned about the overall financial stability of the Japanese economy, have questioned whether and how Takaichi would seek to make good on the lost revenue occasioned by the tax cut, which has been estimated at approximately 10 trillion yen (US\$63 billion). On the other hand, other opponents have criticised the temporary nature of the tax cut, arguing that the eventual winding down of the cut would invariably result in a greater tax burden in

the long term as the government would seek to recoup its lost revenue. The Prime Minister herself has assured that she would ‘take responsibility’ for the tax cut and its reversion, arguing that she intends the cut to be a bridging measure before her proposed income-linked relief programme takes effect in 2029. The government has also [indicated](#) that it intends to sufficiently compensate local governments affected by the loss in revenue caused by the cut.

Japan Budget expected to swell to historical high

After ministries and agencies submitted their annual expected outlays for the next financial year, it was [revealed](#) that Japan’s general budget for 2027 is expected to reach historical highs of around 143 trillion yen (US\$894 billion), well over and above the 122.45 trillion yen allotted for 2026. A key factor behind the inflated asks is the burden placed on relevant ministries by Prime Minister Sanae Takaichi’s plan to achieve a ‘strong and prosperous Japan’ through government-led investments in 17 critical sectors. The Ministry of Defence itself could end up [accounting](#) for around 10 trillion yen of this budget, as it prepares to ramp up its defence buildup in light of growing concerns over China, North Korea and Russia.

Economists pointed out that even the inflated amount would not be the bottom-line number, as spending by special accounts set up to invest in particular sectors relating to economic security would have to be accounted for as well. On another front, the cut in the consumption tax could end up taking a significant chunk of revenue away from the government account, potentially exacerbating its debt profile and squeezing profitable areas of the

economy further. As a result, many economists warned that perceptions of lax fiscal discipline could impact Japan’s financial standing, to forestall which the government needs to engage the market more seriously.

KOREA

Economic Impact of Ageing Population in South Korea

Two reports released by distinct government agencies have revealed the impact of the growing numbers of ageing and aged populations on work and care-related behaviour in South Korea. Rapid ageing, coupled with financial pressures and lack of adequate welfare measures, has compelled its people to [continue](#) working even in late age. According to a report by the South Korean Ministry of Data and Statistics in August 2026, the number of people in the age group of 55-79 who continue to work were reported to be over one million. Notably, the report also revealed that seven out of ten older South Koreans desire to continue employment. Due to these factors, the South Korean Ministry of Employment and Labour is planning to gradually increase the retirement age to that of 65.

Another report by the Korea Institute for Health and Social Affairs in August 2026, found that South Koreans are living [longer](#) lives, but are relatively less happy than their counterparts in other nations from the Organization for Economic Cooperation and Development (OECD). ‘Weak social ties and poor labour conditions’ were cited as primary reasons for the low ranking, which was offset by chart-topping scores on material metrics such as the availability of housing and quality of education.