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CHINA

China's Expanding Export Controls

On 16 October, China's Ministry of Commerce published a draft amendment to the Catalogue of Technology Prohibited or Restricted for Export, proposing restrictions or outright bans on the export of 40 different AI, biopharma and solar technologies that Beijing views as vital to national security. The draft amendment has been put up for public consultation till 15 November. Meanwhile, companies engaged in the export of these restricted or prohibited items will be required to conduct pre-export registration with the Chinese Ministry of Commerce.

Reportedly, China is considering enforcing export controls on 23 AI technologies that would cover agents, models, clusters and tools. However, access through deployment of AI models, application programming interfaces (APIs), websites, apps and software-as-a-service platforms have been exempted. Besides these, 12 solar technologies including those related to manufacturing of polysilicon, silicon wafers and solar cells as well as core equipment containing high-end technologies have been placed under restriction. In the biopharma sector, cell and gene therapy, small interfering RNA (siRNA) drug technology platforms and artificial genetic modification technology platforms have been prohibited from export.

TAIWAN

Taiwan indicators show robust growth, optimism

The National Development Council (NDC) of Taiwan detailed that demand for artificial intelligence (AI) hardware has been driving Taiwan's economy towards healthy growth for 10 consecutive month. This growth is "despite an increasingly high comparison base." Last time, such a long run of growth was recorded in 1984. The NDS said that this growth reflected broad diffusion of gains generated by AI investments, which were not restricted to major chipmakers alone. Further, the Taiwan Institute of Economic Research (TIER) also revealed that business sentiment in the export-oriented manufacturing sector climbed to its highest level in September. This has been the highest in the last 55 months last months. The TIER attributed this buoyancy to the global AI boom. However, it also warned that Taiwan's economy still has to account for risks, including the possibility of the US Federal Reserve raising policy rates. Additionally, a robust growth in exports and relatively moderate inflation supported growth in real wages, with first eight months 2026 witnessing an 11-year high. This growth in real wages has improved purchasing power.

Taiwan Hosts US Business Delegation

The Taiwanese Ministry of Economic Affairs, the Taiwan External Trade

Development Council, the American Institute in Taiwan and the American State Offices Association jointly organised US Business Day on 13 October in Taipei City. The event aimed to help Taiwanese and American business to expand areas of cooperation. Reportedly, US firm Agility Robotics, the first humanoid robotics company in the world, was part of the business delegation which aimed to explore supply chain partners from Taiwan's smart factory and automation sectors. According to Taiwanese media reports, there has been continuous growth in Taiwan-US business relations, leading to US becoming Taiwan's leading trade partner. Simultaneously, Taiwan is the US' fourth largest trading partner.

JAPAN

Japan ranks last in E Asia on global innovation ratings

According to the Global Innovation Index released by the World Intellectual Property Organisation, a specialised agency of the United Nations, Japan maintained its overall 12th position, ranking last in the East Asian region well below neighbours China and the Republic of Korea. The ROK, which ranked fourth, was the highest-ranked Asia-Pacific nation, while China entered the top ten at the tenth position.

The index, which uses over 80 indicators across 139 economies to develop its findings, noted that while Japan's industrial and corporate innovation remained 'strongest in the world', and the Tokyo-Yokohama region remained the world's second-best innovation cluster in terms of its patenting, research and venture capital activity, its uneven tertiary education system, the low number of graduates of STEM (Science, Technology, Engineering and Mathematics) programmes and the lack of 'knowledge-intensive employment' acted as drags on its overall ranking. Further, the declining population of young people in the country affected overall scores, particularly in terms of innovation performance. The finding leaves in doubt the success of the Government of Japan's efforts to raise its innovation ranking to fourth or higher by 2035, as outlined in its intellectual property strategy (released in 2025).

Bank of Japan declares inflation target reached

During its monthly policy meeting on 30 October, the Bank of Japan officially – and successfully - closed the book on its decade-long target of achieving 2 percent inflation. The 2 percent inflation target, a hallmark of the 2013 policy known as Abenomics (after then-Prime Minister Shinzo Abe), had committed the Bank of Japan to undertake a variety of fiscal and monetary measures in order to enable Japan to return to the positive growth rates it had enjoyed prior to its economic crisis in 1991. The BoJ is now expected to shift its focus to keeping the inflation rate under control.

The BoJ highlighted its achievement, and the shift in focus, in its latest prognosis of macroeconomic movements, noting that the 2 percent target had reached a 'consistent level'. After the policy meeting concluded, Governor Kazuo Ueda spoke to the press, also underlining the importance of keeping the prices of essential goods 'stabilised at the 2 percent level'. The BoJ therefore voted to continue maintaining its current 1.25 percent policy interest rate (with the possibility of further increases in future), while deciding to ramp up the pace of selling exchange-traded funds (ETFs) purchased at book value as part of large-scale monetary easing, to about 860 billion Japanese yen per year (compared to about 330 billion yen previously). The latter policy is expected to go into effect in early 2027.

KOREA

Economic Benefits of "Korean Wave"

The popularity of South Korean popular culture, known as the "Korean Wave" or *Hallyu,* has been benefiting Seoul, but this cultural phenomenon is also bringing economic benefits in those countries where K-pop events are being organised. In October, it was reported that the popularity of Korean Wave in Latin America would hugely benefit the tourism industry there. Particularly, the recent performance by the South Korean K-pop group BTS in Peru attracted over 150,000 fans to the Peruvian capital city of Lima. The success of this South Korean cultural event potentially provided economic benefits worth 25.1 billion Korean won (USD 19 million) to the tourism-related sector in Peru.

According to another report, there has been an exponential rise in the piracy of South Korean K-pop products in recent years. About 500 million cases of illegal distribution of K-content in the overseas market was reported by the Korea Copyright Protection Agency in 2025. The popularity of K-pop has also enhanced the exports of South Korean instant noodles called *Ramyeon* to foreign countries.