

Part I

THE DAWN OF THE POST-CORONA ERA: CHANGES AND CHALLENGES

MIYAMOTO, Ei; NITTA, Yosuke

Part I summarizes the current situation and challenges in the world's major economies and the Asia-Pacific region in the dawn of the post-corona era. It discusses various challenges and prospects facing the world economy, including inflation, energy issues, and human rights issues.

Section 1 outlines the current state of the world economy and some major factors that could disrupt the structure of the Japanese economy, and provides an outlook for the future.

Section 2 analyzes the challenges facing the U.S. economy, namely high inflation and recession risk, and explains the impact of U.S. economic trends on the Japanese economy.

In Section 3, the first half describes the background and problems of the real estate market risks facing the Chinese economy. The second half of the paper discusses the fiscal problems faced by local governments.

Section 4 discusses the economic strategies of Japan and Japanese firms in the face of the deepening confrontation between the U.S. and China. The first half of the paper analyzes the decoupling policies of the U.S. and Japan. The second half describes Southeast and South Asia's continuing economic growth and the strategies that Japan and Japanese firms should adopt with ASEAN.

Column A discusses the issue of "business and human rights" in the development of global value chains (GVCs), and explains the need for companies overseeing GVCs to take responsibility for respecting human rights not only for their "direct business partners" with whom they have contractual relationships, but also for their "indirect business partners" they have no business contracts with, from the perspective of universal human rights. Finally, the column describes the challenges for Japanese companies to implement mechanisms to ensure their responsibility to respect human rights in GVCs, expanding mainly in Asia.

Section 5 examines the household debt problem in Asian countries. The impact of household debt on the economy is analyzed from various angles, including the rate of increase in outstanding household debt, its determinants, and its composition. The section then focuses on housing loans, which account for the majority of household debt, and discusses measures that Asian countries should take in the future, considering trends in housing prices and other factors.

Column B examines global demographic trends based on the World Population Prospects 2022 issued by the United Nations. The first half of the column presents the demographic trends of the world's major regions, and the second half presents the demographic characteristics of the world's major countries. Finally, the important points derived from this data and new issues that have been identified are discussed.