

Asia Beyond the Crisis: Visions from International Input-Output Analyses

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Abstract

The characteristic feature of the recent Global Economic Crisis was the speed and extent of the shock transmission. The rapid development of cross-national production networks over the past several decades has significantly deepened the economic interdependency between countries, and a shock that occurs in one region, whether positive or negative in nature, will be swiftly and widely transmitted to the rest of the globe. The sudden contraction of world trade and output was a negative outcome of this intertwined global economic system. The “Economics of the Crisis”, therefore, entails a detailed examination of the mechanics of shock transmission, by probing the labyrinth of complex supply networks among the countries. This paper investigates the nature of the Global Economic Crisis from the perspective of cross-national production networks based on the international input-output analyses, and aims to envisage the prospect of the post-crisis production system of Asian economy.