

Japan- an economy to understand in the pandemic times

The Japanese economy is said to be a miracle in world history. No matter what one throws at it, it always has its ways to spring back up and soar into the path of progress. To prove this, one must understand how it was shattered in the second world war. The nation was left with bare basics, and their progress was so staggering, that people wondered how and what made them prosper to the heights they are in today.

The economy is to have grown more than the anticipated growth aspects. Considering the job market, it's in the stage of full employment, which is a good sign considering the pandemic in many economies across the globe have their stories told otherwise. Though this is a positive sign of the aspects, there are other niggling problems within their economy, which could hamper its stability. The rising interest rates in the economy, along with the rapid increase in medical costs should be addressed at the earliest to tackle the problems. Considering these aspects, it would be essential to find a middle ground to keep all the other economic parameters at a stable growth trend. A flexible fiscal policy could be the only solution to its problems.

With the interest of the economy in consideration, stimulus programs can be introduced to keep the price increase in check. This is one of the important advisories being given by the IMF to the Bank of Japan to keep its economy in a healthy state. If the Japanese central bank can keep the interest rates pegged within the 1% rate it may be able to tackle the increasing domestic demand and rising import costs. This was mainly caused due to the depreciating trend of its currency (Yen).

The new Prime minister of Japan now faces a major challenge to tackle these inherent problems. Prime minister Fumio Kishida feels that he has a lot of policies and plans to revive his country's economy. To begin with, a budget of close to \$940 billion is being approved. This is to keep the economy running smoothly, catering to reach greater heights as one of the best performers in the capitalist nations around the globe. It would also ensure stable growth in the domestic economy, by ensuring the wealth in the nation is equally spread out to all the sections of the society.

The prime minister's aim is to bring in more investment by having more talks with the CEOs of high-profile companies in the country. By offering the incentives, it would help to promote research and development, the prospects of growth are better for the nation. His plans also sharing the tax benefits and profits to workers in the Japanese economy would help the nation grow. The vaccination of its people is still at close to 78%, the prospects of growth and complete revival of its economy are one of the primary objectives. Japan never fails to surprise its international counterparts, that no matter what the world or nature throws at them, it would always continue to come back stronger than ever before.