

economic growth over the past 10-15 years. That said, China is not yet a stable component of the region because of its internal economic and political difficulties and its incomplete leadership transition. It remains to be seen whether the trend toward increased emphasis on market forces in the allocation of resources, particularly whether this emphasis will be extended to the state industrial sector, and on a more open economy will continue.

## 6. Energy and Environmental Issues Affecting Integration

Table 6.1  
North Asia—Total Energy Consumption  
(Million metric tons oil equivalent)

Country	1983	1984	1985	1986	1987	1988	1989	1990	Ave.
Japan	334	359	360	364	366	393	407	428	
China	460	498	540	568	594	619	637	633	
Hong Kong	7	7	8	9	10	10	11	10	
Taiwan	30	31	33	36	38	42	44	46	
Korea	47	51	55	60	66	74	80	92	
Total	878	946	996	1037	1074	1138	1179	1209	
% change		8	5	4	4	6	4	3	5

Source: OECD, "Energy Balances of OECD Countries", 1990, and "Energy Balances for Non-OECD Countries", 1990.

The rapid economic growth that the economies of North Asia have experienced has led to a concomitant increase in the region's demand for energy. The annual growth rate in total energy requirements for the Asian economies examined in this Paper averaged 4.7 per cent per annum during the 1980s (see table 6.1). This is roughly double the average growth rate for developed countries. Not surprisingly, the procurement of stable energy supplies and adequate generating capacity is considered a prerequisite for continued economic development. Shortages of energy supplies in China have already begun to threaten economic growth. Concerns about potential future shortages are the result of a lack of energy resources in some countries (e.g., Japan), the scarcity of capital and appropriate technologies, and inefficiencies in the power generation and distribution systems in other economies (e.g., China). Energy