

- Korea suspended shipments of some steel products to the U.S. last month over a quota dispute. This latest trade issue surfaced in March when U.S. government officials called for bilateral working-level talks, pointing to Korea's breach of the antishift clause of its voluntary restraint agreement (VRA) with the U.S. as a result of a sharp increase of exports of three steel products in 1990. A working-level officials meeting held earlier last month failed to resolve the difference.

- Korea and Soviet Union formally signed an agreement on 5 June to activate the Korea-Soviet Scientific and Technological Cooperation Centre (KSSTCC). The centre, to be Seoul based, is to establish a technology information databank system, to play the role of a unique window for services on science and technology, and to perform joint research and development in advanced technologies and technology transfer to industries.

- North Korean leader Kim Il-Sung told Japanese newspaper that he hoped to visit Japan once bilateral relations were established. He also said that the North Korean Communist Party will hold its first congress since 1980.

- Violent street demonstrations were held in Seoul and Pusan on 2 June with 15,000 rioters in downtown Seoul.

CHINA/CHINE

- A Hong Kong Bank-led group has won the mandate to arrange a US \$48 million loan for a major Shanghai bridge. The deal is the first foreign borrowing ever made in China's name and the first mainland project with support from the Asian Development Bank since June 1989.

- According to the XINHUA news service, Premier Li Peng has stated that "China welcomes U.S. President Bush's recent wise decision to extend China's most favoured nation (MFN) trade status."

- P.M. Mulroney told Parliament on Tuesday 4 June that Canada's economic cooperation with China depended on China's progress on democratic rights.

- The heavy police security put in place in Beijing for the second anniversary of the Tiananmen crackdown was lifted Wednesday morning after a night without incident (AFP).

HONG KONG

- Hong Kong Bank share prices rose by 30 cents amid speculation that it is planning to sell its holding in Marine Midland Bank in the U.S. following an improved profit performance in the second quarter. A spokesman said there was no plan to sell.

- In a bid to cut inflation, Financial Secretary Sir Piers Jacobs has announced a package of counterinflationary measures including