

Between 1980 and 1990, the share of Japan's imports coming from each of the other four economies in the region increased (see table 4.3). Chinese imports coming from Japan decreased by about two-thirds, however, while the shares coming from each of the NIEs, and particularly Hong Kong, increased. While the percentage of Hong Kong's imports coming from Japan declined during this period, the shares coming from China in particular and the NIEs increased. Each of the four partner countries increased their claims on Taiwanese markets. Korean imports from Japan stayed constant in percentage terms, while its imports from the other economies in the region increased.

Table 4.4
Distribution of Merchandise Imports
(per cent)

1990		Importer					Regional	Total Imports
Exporter	Imports	Japan	China	HongKong	Taiwan	Korea	Total	(US \$bns)
	Japan		4.60	2.00	3.80	5.80	16.20	222
	China	11.50		37.40	4.00	1.00	53.90	57
	HongKong	16.40	34.00		9.30	4.90	64.60	80
	Taiwan	32.30	0.70	7.30		2.60	42.90	49
	Korea	28.30	1.20	3.00	2.30		34.80	64

1980		Importer					Regional	Total Imports
Exporter	Imports	Japan	China	HongKong	Taiwan	Korea	Total	(US \$bns)
	Japan		3.20	0.70	1.70	2.40	8.00	134
	China	30.50		7.50	0.00	0.00	38.00	18
	HongKong	23.50	19.60		7.40	3.80	54.30	23
	Taiwan	27.10	0.00	3.10		1.20	31.40	20
	Korea	28.20	0.00	1.10	1.50		30.80	21

Source: "FDI and APEC Economic Integration", Canada's submission to the Ad-hoc Group on Economic Trends and Issues, APEC Sixth Ministerial Meeting, Indonesia, 1994, Tables 14 & 16.

The possibility that a trade bloc centred on Japan is developing in Asia--whether as a natural occurrence, as a reaction to the perception that blocs are emerging in North America and Europe, or as the result of a concerted, but covert, effort on the part of Japan to dominate the region--is frequently raised. The concern is, of course, that an Asian trade bloc might erect barriers to international trade and investment. Given that the economies of North and Southeast Asia have experienced dynamic and