

BULLETIN

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JAPAN/JAPON

- Nihon Keizai and Asahi report the EC and Japan have agreed to a seven year quota on Japanese auto imports from the date of EC market integration on Jan. 1, 1993. The agreement is expected to accelerate investment in the EC by Japanese automakers because cars produced by Japanese plants in Europe will not be included in the quota.

- JAMA announced vehicle exports in the first six months of 1991 fell 1.9% from 1990 to 2,846,870. Shipments to the US dropped 9.8% to 950,598, while EC shipments rose 12.8% to 769,716.

- In response to the recent securities scandal, the LDP's Secretary General has called for the creation of a watchdog agency independent of the Finance Ministry, and based on the US Securities and Exchange Commission (SEC). Media sources say the statement, made at a meeting with business leaders, is the strongest endorsement yet of a "Japanese-style SEC" by a senior LDP official.

- The Japan Fisheries Association and its Korean counterpart have asked their governments to oppose the Canadian and US proposals to remove all tariffs on fish products as part of the Uruguay Round GATT settlement, media sources report. The Association's statement insists tariff removal will raise havoc in their industries. However, Japanese tariffs on fish imports average about 5% and the country is already the world's largest importer.

- Nihon Keizai says Kobe Steel and the Aluminum Co. of America have agreed to set up a joint venture to build an aluminum plant in Tokyo to supply forms and products for transportation vehicles.

- Kyodo quoted a statement by Indonesia's

Director General of Foreign Trade that his country will complain to GATT if Japan does not reduce its tariffs and NTBs to Indonesian plywood exports.

- The Indonesian government announced that during the first six months of 1991, Taiwan replaced Japan as the country's largest foreign investor. During that period, US\$ 903 million in investment came from Taiwan as opposed to US\$ 543 million from Japan. Kyodo says Taiwanese investments have occurred in the textiles, paper, and shoe manufacturing sectors.

- A Japan-US consortium, headed by Fujitsu and including AT&T and NEC, has won a contract to lay an optical cable from Japan to Singapore with forks to Taiwan, Hong Kong, and Malaysia. Press reports claim the "APC system" will be completed by 1993 and become part of a global loop of optical cable.

- D'après un sondage du Mainichi, le gouvernement Kaifu obtient 42% d'opinions favorables, une augmentation d'un point sur le mois dernier. Les mécontents enregistrent une hausse de 6 points à 33%. Le Parti libéral démocrate (PLD) perd brutalement 9 points à 40% sans que la cote des partis d'opposition en bénéficie. 53% des personnes interrogées pensent que le PM Kaifu devrait conserver la direction du PLD.

CHINA/CHINE

- According to media sources, the flood crisis is far from over despite receding waters and an impressive mobilization of Chinese resources in clean up operations. Approximately 21 million people have been affected in the two worst hit provinces of Anhui and Jiangsu. Economic losses are