

proposals.<sup>30</sup>

Japan has officially opposed the formation of exclusive trading blocs and encouraged western countries to expand their relations with the Asian economies. Furthermore, Japan appears committed to the "open regionalism" approach to economic cooperation and trade liberalization in Asia. Japan's views of, and relations with, APEC have evolved along with the organization itself. Japan originally signalled that it would prefer APEC to be a loose conclave. More recently, however, Japan has taken a greater interest in APEC as a regional institution. It would appear that Tokyo may be looking to APEC to be the forum for regional policy consultations and economic cooperation. Japanese ambitions to be the leader of an Asian grouping may be tempered by concern that a high diplomatic profile could resurrect fears of Japanese dominance. That said, APEC could provide the framework through which Japan might move toward a position of shared policy leadership with the U.S. in the Asia Pacific region.

The process of economic and political cooperation in the region is starting to quicken. While we do not foresee the Asian economies turning inward, they may eventually decide that they can better promote their interests by presenting their views from the standpoint of regional groupings. Continued rapid economic growth in North Asia, combined with continued economic reform in China which will encourage increased interdependence in the region, will provide further incentives to strengthen ties, but the institutional focus will likely remain on APEC as a whole rather than some form of North Asian caucus.

#### 4. North Asia's Trade and Investment Patterns

The 1980s were a period of rapid growth in world trade, and North Asia was a strong participant in this trend, particularly China in the latter part of the decade. The dollar value of North Asia's global trade (exports plus imports for the group excluding Russia) roughly tripled to US\$1.3 trillion between 1980 and 1992. With exports of US\$702 billion and imports of US\$592 billion in 1992, this group of five Asian economies accounted for approximately 20 per cent of world exports and 15 per cent of world imports. Moreover, the region generated a surplus of US\$110

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<sup>30</sup> If the APEC can embrace the concept of open regionalism and advance the multilateral trade and investment agenda, and still promote the interests of its members at their various stages of development, there will be no need for any group to form its own club to champion specific sub-regional interests.