

During the 1980s, the share of Japan's exports going to China declined, while the shares going to the NIEs increased (see table 4.3). The share of China's exports going to and passing through Hong Kong increased dramatically, reflecting the increase in entrepôt trade as Chinese exports penetrated western, and particularly U.S. markets. Notably, however, the share going to Japan decreased by 50 per cent. Simultaneously, the share of Hong Kong exports and reexports going to China increased almost four-fold in percentage terms. The shares of Hong Kong exports going to Japan and the other NIEs increased marginally. While the increase in shares of Taiwanese and Korean exports to China did not increase as dramatically, they did grow. And, like Hong Kong, the percentage of Taiwanese and Korean exports going to Japan and the NIEs similarly increased. Korea's dependence on the Japanese market is almost twice that of Taiwan, which in turn is almost twice that of Hong Kong.

Table 4.3
Distribution of Merchandise Exports
(per cent)

1990 Importer	Exporter	Regional					Total Exports (US \$bns)	
		Japan	China	HongKong	Taiwan	Korea		Total
	Japan		2.20	4.40	5.40	6.10	18.10	297
	China	15.70		42.00	0.50	1.20	59.40	65
	HongKong	5.30	25.30		4.30	2.30	37.20	84
	Taiwan	11.90	3.20	10.50		2.00	27.60	71
	Korea	19.30	0.90	5.90	1.90		28.00	66

1980 Importer	Exporter	Regional					Total Exports (US \$bns)	
		Japan	China	HongKong	Taiwan	Korea		Total
	Japan		3.90	3.80	3.90	4.30	15.90	138
	China	22.40		22.80	0.00	0.00	45.20	19
	HongKong	4.40	6.40		3.00	1.10	14.90	20
	Taiwan	10.90	0.00	7.80		1.50	20.20	21
	Korea	17.30	0.00	4.70	1.30		23.30	18

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 15 & 17.