

Party leader Chung Ju-Yung has urged ruling party candidate Kim Young-Sam to drop out of the presidential race, reportedly with the suggestion he take five years of to study some economics first.

- Before leaving for the ASEAN Post-Ministerial Conference in Manila, Foreign Minister Lee Sang-Ock highlighted regional security dialogue as the crucial issue on the agenda. He also stressed the importance of a continuing US role in Asia-Pacific.

- Korean airlines have noted a 15% drop in bookings to Canada and the US, apparently due to a weaker won, inflation, economic uncertainties, and a credit frugality campaign on the part of the government.

- The Ministry of Trade and Industry is attempting to deflect US pressure on steel exports by undertaking to cut existing voluntary restraint agreement export levels by 30%. Consequences for actual shipments may be minimal since only 60% of last years' VRA level was actually used. The real issue is the impact of the measure on anti-dumping suits against which the Korean Iron and Steel Association is urging the government make common cause with the EC and Canada.

- The visit of Kim Dal-Hyon, the Vice Premier of North Korea, featured an agreement to expand economic cooperation as soon as possible. Though conditions are not spelled out, observers speculate that the South has accepted the idea as a "carrot" to the North to break the continuing deadlock on the nuclear inspection issue. Officials have since clarified that pilot ventures sought by the North will not proceed until the nuclear issue progresses.

### TAIWAN

- Parliament recently declared an end to 43 years of martial law on the fortress islands of Quemoy and Matsu. The islands, where military garrisons outnumber the civilian population of 50,000, will revert to civilian rule to open them

to tourism and more rapid economic development.

- In the first half of 1992, Taiwan's trade surplus reached US\$5.26 billion, the second largest in the world. Japan came first at \$40 billion; Germany was second at \$5 billion.

- Kaohsiung harbour recently edged out Amsterdam as the third largest harbour for container shipment, after Singapore and Hong Kong.

- Industrial production for the first half of 1992 increased 4.95% over the same period in 1991, despite a slowdown in June.

- The New Taiwan dollar appreciated 4.04% against the US greenback in the first half of 1992, the highest rate amongst the Four Dragons and the G7. The appreciation has hurt Taiwan's international trade competitiveness.

---

### ONGOING AND UPCOMING/ A VENIR

1992

- APEC Ministerial Meeting (Bangkok) September 10-11.
- Canada-China Trade Council Annual General Members' Meeting (Beijing) - November 3-4

---

The North Asia Bulletin is produced weekly by the North Asia Relations Division in a single bilingual edition only. Le Bulletin de l'Asie du nord est un hebdomadaire rédigé par la Direction des relations avec l'Asie du nord qui paraît dans une seule édition bilingue. Editor/rédacteur Dan del Villano 613-943-0896; fax 613-943-0899

