

-- Yaohan is a key player in the Japanese-Chinese consortium that opens the world's largest department in Shanghai.

-- Japanese leasing giant Orix announces a three-year plan to increase offshore assets in Asia by 30% to 520 billion yen.

-- Japanese advertising giant Hakuodo announces the opening of an office in Hanoi, its 11th offshore site in Asia.

-- The Overseas Construction Association of Japan reports that 77% of its members' foreign work in FY94-95 was in Asia, as compared to 46% in FY90-91.

-- A Nomura Research report indicates that more Japanese subsidiaries were set up in Asia in the period 1987-93 (2544) than in the whole period 1951-86 (2045).

-- MITI reports that sales by Japanese subsidiaries in East Asia in FY93-94 came to 9.6 trillion yen, about double the figure for 1988.

-- A study by the Australian foreign ministry predicts that Japan-China trade will surpass Japan-USA trade (currently second in size only to Canada-USA trade) by the year 2015.

The evidence for stronger trade and investment flows is more than just anecdotal, but may at the same time be less revolutionary than it sounds.

Table I for example provides absolute numbers, growth patterns and regional shares for Japanese exports and imports over the period 1980-95. It shows that Asia is in fact the most important destination for Japanese exports (overtaking North America in 1991 and reaching US\$201 billion last year) and the most important source for imports (US\$155 billion last year). Asia has also shown the fastest growth of any major region in both categories over the past five years (105% and 57% respectively). And in 1995, Japan began for the first time to export more machinery to Asia than it did to the United States.

At the same time, it can also be seen that imports from Asia represented a higher share of Japan's total before 1986 than they do now (as high as 57.1% in 1980 for example), and recent highs in the Asian share of Japanese exports actually represent recovery from a down-turn (the 1979 figure of 38.6% was not reached again until 1992).