

BULLETIN

VOL V NO 16
92-04-24

NORTH ASIA - ASIE DU NORD

based on media surveys in the North Asia region

JAPAN/JAPON

- The Ministry of Finance released its figures on the banking industry early in an attempt to shore up stock prices. It claimed that banks increased profits on their 'core' business by 27%. Once write-offs for bad loans are accounted for, though, profitability declined 17%. Ministry estimates of total bad loans stand at US\$15-20 billion, but industry sources suggest the figure could be over \$100 billion.

- Japan has said it will increase its aid to the Czechoslovakia. Czechoslovakia pledged to help Japan in its bid to become a member of the Conference on Security and Cooperation in Europe.

- Unemployment payments in February were 11.2% higher than last year.

CHINA/CHINE

- China will send a 400-strong contingent of military engineers to aid peacekeeping in Cambodia.

- While China has not blocked UN moves against Libya, it has continued a policy of tacit support to Quaddafi.

- Russia and China held a sixth round of talks from March 21 to April 16 on reducing military forces along the border.

KOREA/CORÉE

- Hans Blix, the Director-General of the IAEA, plans to make a 'policy level' visit to North Korea in mid-May on the condition that North Korea provide an inventory of nuclear materials beforehand.

- The South's growth rate was 7.6% in the first quarter of 1992, down from 8.7% last year. The current account deficit for the same period was US\$3.24 billion, down \$700 million from last year.

- Opposition leader Kim Dae-Jung has agreed to delay election of mayors of major cities and governors for several months but is pressing that elections be held no later than December.

- The South Korean Foreign Minister announced Tuesday that Korea and China had come to an understanding on improving relations, following an 11-day visit to China and Mongolia.

TAIWAN

- Despite the consecutive declines in the Taiwan economy's leading indicators, the domestic automobile and realty markets grew substantially in the first quarter. According to the Taiwan Transportation Vehicle Manufacturer's Association, more than 110,000 locally built cars were sold from January to March, up 15.5% from 1991. Recently introduced housing programs have also been favourably received by consumers.

- Kuozui Motors, a joint venture between Toyota and Taiwan investors, will transform operations over the next five years into a gigantic automobile manufacturing complex with annual production of 200,000 cars. Total investment has been set at NT\$23 billion.

- A recent survey contradicts the Taiwan government line that investment in China is not profitable. The survey reports that 85%

of respondents have been profitable in their mainland ventures. They reported average returns on mainland plants of 13% in 11 months, double the average return in Taiwan. Advantages cited for investment on the mainland were similar cultural background, easy acquisition of industrial land, ample supply of competitively priced raw materials, and cheap, abundant labour.

VIETNAM

- South Korea and Vietnam have agreed to open liaison offices as a preliminary step for normalization of relations. Two-way trade reached US\$240 million last year and 5000 Korean businessmen visited Vietnam last year.

ONGOING AND UPCOMING/ A VENIR

- Canada-Taiwan Business Association Sixth Joint Meeting (Taipei) - Apr.26-28
- Defence Services Asia (Kuala Lumpur) - Apr.27-30.

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 613-996-4309.

