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MINISTÈRE

NORTH ASIA - ASIE DU NORD

JAPAN/JAPON

- Kyodo reports the Soviet Union and Japan will hold their first bilateral talks on Tokyo's nuclear technology assistance to Moscow in mid-September. The negotiations are the result of a bilateral agreement on cooperation for peaceful use of nuclear power, signed during President Gorbachev's visit to Japan in April. Discussions are expected to focus on control of nuclear power plants, basic research, disposal of radioactive waste, and construction of nuclear plants in the Far East.

- According to Reuter, Japanese government officials and banks are trying to preempt a possible bank run. Toyo Shinkin Bank, a credit union based in Osaka, announced that one of its branch managers has been involved in the issue of false deposit certificates worth \$2.84 billion. Two major banks and a central union of credit cooperatives have been asked to help Toyo Shinkin financially. The Ministry of Finance and the Bank of Japan issued statements saying the credit union is not in immediate trouble. Last month, three Japanese banks were involved in similar fraudulent loan deals. Media sources claim a series of bank and securities scandals has put pressure on the Finance Minister to resign.

- A report by Kyodo news service says Prime Minister Toshiki Kaifu appears to have won China's understanding on the dispatching of Japanese troops to participate in UN peacekeeping forces. Deputy Chief Cabinet Secretary Nobuo Ishihara told a news conference that Chinese Communist Party General Secretary Jiang Zemin's silence following Kaifu's explanation of Japan's plan to send personnel, as well as material goods, to assist in UN peacekeeping activities had indicated tacit approval. The two leaders met on Monday during Kaifu's four-day visit to China.

CHINA/CHINE

- The August 10-13 visit to Beijing by Japanese PM Kaifu marks the first visit to China by a G-7 head of government since the 1989 Tiananmen Square crackdown on pro-democracy activists. British Prime Minister John Major will visit China September 2-4 to formally sign an agreement on the new Hong Kong airport. The People's Daily announced on August 11 that Premier Li Peng had informed Prime Minister Kaifu that China had decided in principle to accede to the nuclear non-proliferation treaty.

- Une délégation militaire chinoise a visité Moscou cette semaine. C'était la première visite en URSS du chef d'état-major de l'Armée de Libération du Peuple chinois, Chi Haotian. Selon la presse chinoise, les deux côtés ont discuté de la situation militaire et de la politique mondiale actuelle, ainsi que des problèmes de stabilité et de sécurité de la région Asie-Pacifique.

- Material Minister Liu Suinian said that the current system of assisting state key projects through supply of raw materials at unreasonably low state-set prices will be replaced by a program in which the government would increase investment in important projects, thus allowing them to purchase materials at market prices.

KOREA/CORÉE

- Press reports indicate the shipbuilding companies Daewoo and Samsung are expected to register their first operational profits in nearly a decade. Hyundai, Korea's largest shipbuilder, made a profit even during the 1980s slump, and its exports continue to expand.

- According to media sources, the price of imported beef will rise in September by 20% in order to cut consumption of imported beef. At present, the cost of pork and imported beef is almost the same.

- South Korea will participate in construction of a special economic zone in the Tumen River region in northeast North Korea, media sources claim. Working level delegates from South Korea will attend a United Nations Development Program sponsored conference in Pyongyang in October to discuss the projected five year US\$ 3 billion project.

- Press reports maintain inter-Korean trade has increased to US\$ 94 million in the first seven months of 1991. South Korea is importing mining and agricultural products from the North.

- According to the German economic weekly Wirtschafts Woche, South Korean industry ranked 14 out of 16 among industrial countries with regard to competitiveness. Korea scored low in areas of product quality and environmental protection, and at the bottom for national credibility and openness, labour productivity, interest rates and inflation.

- Regulations on chain store businesses have been relaxed in order to permit Korean retailers to compete with foreign chains, media sources report. Separate retail stores may join into chains and can sell general industrial commodities such as electronic appliances, furniture and garments.

TAIWAN

- Press reports indicate that authorities on Taiwan are becoming concerned about the increasing trade ties with China. Hong Kong Customs statistics show Taiwan's indirect trade with the mainland totalled US\$ 4.043 billion in 1990, including US\$ 3.278 billion in exports to China, and US\$ 765 million in imports.

Taiwan's Ministry of Economic Affairs warned that the country's overall external trade has greatly declined if the brisk trade with Hong Kong is excluded. Taiwan's total exports were US\$ 36.1 billion in the first half of 1991. However, the MOEA said Taiwan's trade

surplus only amounts to US\$ 600 million if trade with Hong Kong is not included.

- Wang Yung-tsai, President of the Formosa Plastics Group, announced that the group will build a naptha crackling complex in the Mailiao section of the proposed offshore industrial zone in Yunlin county, southern Taiwan. Wang told a press conference that Formosa Plastics will invest up to US\$ 3.3 billion in the cracker project. Construction is expected to take three years to complete.

- According to media sources, the Directorate General of Posts has selected 12 Post Offices in Taiwan to process remittances between the two sides of the Taiwan Strait. The service allows remittances of up to US\$ 5,000 each time by telex or air mail via Citibank in Hong Kong. No direct remittance is allowed between Taiwan and mainland China at the present stage of the program.

VIETNAM

- Direct air service to Ho Chi Minh City by Taiwan-based China Airlines has been postponed. Media sources say the last minute change was linked to the Vietnamese Defence Minister's visit to China.

ONGOING AND UPCOMING/ A VENIR

- Foodex, Osaka '91 - Sept.
- Mining Equipment Seminars - Beijing, Nanjing, Changsha, Sept. 1-5.
- Japan Food Service Show - Sept. 1-6
- Tokyo International Gift Show - Sept. 3-5.
- Seoul Instrument '91 - Sept. 13-17.
- Japanese Sporting Goods Buyers Mission to CSGA - Sept. 14-24.
- Beef Mission from Taipei - Sept. 23-27.
- Building Products Mission from HK, Sept. 28-Oct 8.
- Software Mission/Tokyo and Software Show '91/Osaka - Sept. 29-Oct. 9.

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