

**BULLETIN**

**NORTH ASIA - ASIE DU NORD**

**JAPAN/JAPON**

- Nihon Keizai reports that the US will pressure Japan to review its laws and regulations for the securities industry in the SII follow up round this fall. Confidence in the industry has been affected by a triple scandal over market manipulation, rebates to corporate customers, and stockbrokers' ties to organized crime.

- Media sources maintain the Fair Trade Commission's new anti-monopoly guidelines will empower the FTC to order companies involved in antitrust practices through their "keiretsu" ties to sell their shares in those firms. The new guidelines are in accordance with Japanese commitments made during the SII talks.

- Japan has accepted US, Canadian and Soviet demands to end salmon fishing in the North Pacific from 1992. However, Japanese officials at the Washington meeting say Japan will not stop using drift and trawl nets.

- Quoting unnamed government sources, Yomiuri Shimbun reported that Tokyo will lift all remaining sanctions against South Africa and set up full diplomatic relations after the G-7 Summit later this month.

- Komatsu announced it will acquire 30% interest in Danly, a Chicago-based producer of metal stamping presses, automation equipment and other machinery. The new company, Danly-Komatsu L.P., will produce, market, and service both Danly and Komatsu presses in the US, Canada, and Mexico.

- The Japanese and French telecommunications ministers agreed on a joint program to develop technology to exchange HDTV programming.

- Nippon Steel and Sky Aluminum are jointly developing an aluminum alloy sheet for car bodies. Kyodo reports that Japanese

steelmakers are convinced that automakers will soon use aluminum as an auto body material to reduce vehicle weight.

- Kyocera, the world's largest maker of ceramic packages for microchips, said its US subsidiary Elco bought McKenzie Socket, which produces connectors for integrated circuits. Kyocera said it plans to integrate the two US subsidiaries into its chip packaging business.

**CHINA/CHINE**

- Xinhua reports that France is offering a concessional loan of US\$ 370 million to China for five major projects, the largest loan ever provided in Sino-French relations.

- The Chinese finance minister stated that last year the national deficit was Yuan 14 billion, Yuan 5.07 billion larger than the budgeted figure.

- PM Li Peng declared that China will stop buying Boeing aircraft if the US does not renew China's MFN status.

- The Ministry of Foreign Affairs denounced a report published in the Washington Post alleging that an Iranian agent is now "discussing with the Chinese representative in Peking on the purchase of China's nuclear arms technology."

- MFA announced that Vice Foreign Minister Liu will attend July's Paris conference on arms control in the Middle East. The MFA added that the prolonged absence of a settlement of the Middle East issue is the root cause of tension and the basic reason for the arms race in that region.

KOREA/CORÉE

Foreign retailers are permitted to open up 10 retail establishments each.

- According to the Seventh Economic Development Plan (1992-96), Korea will increase its ODA commitment to 1% of GNP by 1996; overseas investment will be encouraged, controls on investments under US\$ 500,000 will be removed, and the government will liberalize financial and capital markets in preparation for entry into the OECD by the mid-1990s.

HONG KONG

- Les gouvernements de la Grande-Bretagne et de la Chine en sont arrivés à une entente concernant l'aménagement d'un nouvel aéroport à Hong Kong, un projet d'envergure évalué à \$19 milliards.

- Korea's eight General Trading Companies (GTC) oppose the government's plan to open general trading business to Japanese competition. According to Seoul, the policy is an effort to reduce Korea's trade deficit with Japan by encouraging Japanese GTC's to expand Korean exports to Japan.

- HK is becoming a key fund-raising centre for Asian venture capital. By the end of this year, a record US\$ 2 billion in funds is expected to be under management in the territory.

- Media reports state that the US has informed the ROK that it will not adjust deployment of nuclear weapons in South Korea as part of any deal to bring the North Korean nuclear program under international guidelines.

- According to media reports, a test program to counsel Vietnamese asylum seekers as soon as they land in HK, and before they are screened, has had an immediate impact. 157 opting for voluntary repatriation in the first five weeks of the program.

- Korea Land Development Corporation will set up an industrial park in China to exclusively accommodate Korean firms. The possible sites are all one day's travel from Korea's west coast, and investment costs are expected to be cheaper than those in Thailand or Indonesia.

- The British government announced that it will link its UK£ 6 million financial contribution to the UNHCR with its ability to solve the Vietnamese boat people problem.

- Overseas Construction Association announced that domestic builder's signed 33 overseas construction contracts totalling US\$ 850 million in the first half of this year, up 10.2% from the same period last year. The OCA estimates that new contracts for this year will reach US\$ 3 billion, due to a surge in orders for restoration projects in the Middle East.

- HK media reports that Japanese PM indicated during a meeting with the Chinese foreign minister that the economic freedom and prosperity of HK would be a major factor in future Sino-Japanese relations.

- Foreign investment in Korea is increasing in the service industry and declining in the manufacturing sector. The press maintains that reduction of foreign investment in manufacturing means opportunities for acquiring high tech are diminishing, while foreign investment in the service industry "foments excessive consumption among general public."

ONGOING AND UPCOMING/  
A VENIR

-Canada '91 - Cultural Activities (including: choral, symphonic, and chamber music; cinema; theatre; ballet; a book promotion; and, a variety of art exhibits), Tokyo & surrounding area, till July 31.

-Auto China '91 - Shanghai, July 2-7.

-Visit of ROK President Roh - Ottawa & Vancouver, July 3-6.

-Incoming Beef Mission from Taiwan - Alberta, September.

-Cdn/PRC Joint Trade Com September-October.

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- Foreign firms are now allowed to engage in direct retailing in a wide range of products.