

BULLETIN

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NORTH ASIA - ASIE DU NORD

JAPAN/JAPON

- Kyodo reports that PM Kaifu's addition to the G-7 Summit Communique recommends Moscow extend its "new thinking" diplomacy to Asia by reducing naval activity. In a meeting with the German Chancellor, Kaifu repeated Japan's position that it will not supply massive aid to the Soviets until more market reforms are implemented and Moscow returns the Northern Territories to Japan.

- Mitsubishi announced it will buy 5.6% of Iron Ore Co. of Canada from US-based M.A. Hanna for US\$ 66 million. Mitsubishi and Hanna will establish a joint company to market IOC ore, but Hanna will continue to manage IOC.

- The Export-Import Bank of Japan plans to form a foundation of trading houses, manufacturers and financial institutions to promote direct investment, mainly in developing countries. Kyodo says the organization will provide information on conditions ranging from taxation to employment, sponsor seminars on foreign investment, and accept trainees from foreign countries.

- Nihon Keizai reports that major Japanese securities firms will stop guaranteeing the purchase of US Treasury bills for their Japanese customers. Many brokers are considering dropping the practice as part of their review of excessive services offered to customers.

- JETRO's survey of foreign investment intentions of 730 Japanese companies found that East Europe's newly market-oriented economies are diverting attention away from Southeast Asia.

- Le ministère du Commerce extérieur a dévoilé un plan visant la formation en matière de sécurité de 1000 techniciens de centrales nucléaires de l'URSS, de l'Europe de l'Est et

des pays en voie de développement.

- Press reports state that former Deputy PM Shin Kanemaru has dropped an invitation offered to Taiwanese President Lee to visit Japan. Kanemaru withdrew his offer after the Chinese Foreign Minister told him the visit would be tantamount to Tokyo's adoption of a "two Chinas policy" an anathema to Beijing.

CHINA/CHINE

- China has officially appealed to the international community for urgent relief assistance as floods continue to devastate large areas, and damage and casualties mount. Eighteen provinces have been swept by heavy rains and floods, especially the eastern provinces of Anhui and Jiangsu, where 70% of the population have been affected by the floods and 2 million residents are homeless.

- PM Li Peng has stated that Israel should withdraw from the Occupied Territories, the legal rights of the Palestinians should be restored, and China is willing to join in the rebuilding of Kuwait. According to news sources, the comments were made during the PM's Middle East six nations tour.

- China's industrial production continued to increase in the first half of 1991. Mid-year statistics show industrial output rose by over 13% to US\$ 208 billion. The state statistical bureau said the growth is a result of strong market demand, and a higher-than-average cash flow to companies that had been hit by recent austerity measures and mounting stockpiles of unsold goods.

- "This is a gross interference in China's internal affairs which the Chinese government firmly rejects" was the Ministry

of Foreign Affairs' response to the adoption by the US House of Representatives of the Pelosis proposal that makes the question of human rights in China a precondition for the renewal of China's MFN status. The House also adopted the Solomons Bill which does not support MFN renewal.

KOREA/CORÉE

- According to media sources, the Korean Minister of Trade and Industry told his Malaysian counterpart that Korea is willing to study the Malaysian-proposed East Asia Economic Group (EAEG) if ASEAN comes up with concrete formulas based on consensus.
- Talks between the North and South Korean PMs will resume after an eight month break. South Korea accepted North Korea's proposal for talks on 27 August in Pyongyang. North Korea suspended talks because of the US-South Korean military exercise "Team Spirit."
- Unconfirmed press reports state that South Korea will ship 5000 tons of rice to North Korea in the first direct trade between the two since the country's division. North Korea will pay in coal and cement. The US Rice Miller's Association maintains the rice is being sold at subsidized prices.
- Kyodo reports that North Korea has initialled an IAEA nuclear safeguards agreement providing for international inspection of its nuclear facilities, and dropped its demand for removal of US nuclear weapons from South Korea.
- A regional trade dispute has been caused by a Korean anti-dumping ruling against Dupont and Hoescht Celanese of the US, and Asahi of Japan, with regards to alleged dumping of polyacetel resin used in plastics.
- Korean automaker's annual growth in sales was 21% in the first half of 1991, compared to 29% in 1990. Lower growth rates reflect shrinking overseas demand and labour-management disputes.
- Korea will negotiate with Australia to buy

liquified natural gas to meet growing energy needs. Korea has been negotiating with Malaysia to purchase natural gas but talks are stalled over price, especially high port charges.

TAIWAN

- Mandarin Airlines, Taiwan's third international air carrier, was inaugurated in Taipei on July 9. Mandarin is a joint venture between China Airlines, Taiwan's flag carrier, and the Koo's Group. According to China Economic News, China Airlines owns 67% and Koo's the remaining 33%.
- Aggregate state bonds to be issued by the Ministry of Finance in fiscal 1992 will total NT\$ 316 billion, the highest issue of bonds since 1949, said ministry officials. The bonds will be floated in several issuances, some of which are for financing the six-year development plan.
- Media sources report that Taiwan's Commission of National Corporations has commissioned state-owned Central Trust of China to serve as a bridge to promote barter trade between 10 state enterprises and the Soviet Union.

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.
- Food Buyers Mission to Canada, Aug. 1-8.
- Buyers from Japan to Airshow Canada '91, Abbotsford BC, Aug. 7-11.
- 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.
- 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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