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#### **NORTH ASIA - ASIE DU NORD**

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# JAPAN/JAPON

- A second assembly line is planned for the Toyota factory in Ontario, involving a \$200 million investment. This will double output to 100,000 Corollas a year by 1996, anticipating increased demand under NAFTA.
- L'Asahi s'intéresse aux prévisions économiques pour 1992 qu'ont fait paraître les instituts de recherches économiques privés. A l'exception de l'Association des Etudes économiques nationales qui prévoit une croissance de 4%, les autres instituts prévoient des taux de 2,6% à 3,5%.
- Selon les statistiques provisoires pour le mois de novembre, les exportations ont augmenté de 5,1% en comparaison avec novembre 1990. C'est la 18ie augmentation mensuelle successive. Les importations ont baissé de 12,7%, entrainées par une chute de 40% du prix du pétrole. Sur les 8 premiers mois de 1991, l'excédent commercial a déjà atteint \$53,7 milliards, soit à peu près le total de 1990. Le total pour 1991 atteindra probablement \$100 milliards.
- The LDP is considering introducing an "international contribution tax" in view of the likely failure of the bill which would allow Japanese troops to participate in international peacekeeping operations. Given the failure of the bill in this session of the Diet, the opposition is expected to delay it long enough to make it an issue in elections next July. The LDP is also considering the creation on an environment tax to curb carbon dioxide emissions.

## **CHINA/CHINE**

- Chinese Premier Li Peng is visiting India Dec. 11-16, the first such visit since Zhou Enlai

- visited in 1960. This reciprocates the late Rajiv Gandhi's visit to China in 1988. Li Peng called for greater cooperation among the two most populous nations in the world to contribute to a new world order, in view of developments in the Soviet Union and their impact on regional and world security.
- Chinese media have given low-key coverage to the declaration of the Slavic commonwealth by the presidents of Russia, Byelorussia and the Ukraine: it was mentioned briefly in the English-language China Daily, but not in the Chinese-language People's Daily. Similarly, coverage of President Gorbachev's attempt to preserve the union have hardly been mentioned.
- La Chine a réagi très négativement à la rencontre entre le Dalai Lama et le premier ministre britannique John Major. Le porteparole du gouvernement chinois a qualifié "d'intervention brutale dans la souveraineté de la Chine" toute rencontre, sous quelque forme que ce soit, de n'importe quel chef d'état et de gouvernement avec le Dalai Lama.
- A report by the State Environmental Protection Bureau stated that China will rely on advanced technology to improve the environment in the 1990s. The Bureau has proposed wide adoption of modern recycling, afforestation and coal-burning technologies.

## KOREA/CORÉE

In a historic development in Seoul on Dec.
 13, during their 5th round of talks, the prime ministers of North and South Korea signed an agreement on Reconciliation, Non-Aggression Exchanges and Cooperation.

The binding agreement, which is subject to ratification by both sides, is the first framework for inter-Korean relations agreed to by the two governments since the end of hostilities in 1953.

- Charges under the national security law are being prepared against millionaire evangelist Sun Young Moon for his unauthorized visit to North Korea. His business interests have already seen their credit cut off. North Korea has sought \$150 million in investment from Moon for the Tumen River development scheme and other projects.
- The Economic Planning Board has set a target of 7% economic growth for 1992, lower than predicted by some business associations, and lower than the 8% average projected for the 7th five-year development plan. Money supply growth is to be held in the 16-18% range to cool domestic consumption, while export oriented manufacturing is to be encouraged. The inflation target is 9% and the trade deficit is put at \$8 billion. Credit controls will be imposed on firms not respecting wage restraints.

#### **TAIWAN**

- Taiwan is contemplating the sale of its embassy facility in Seoul, given the expectation that Seoul will switch its recognition to Beijing.

## **HONG KONG**

- A team of 10 Hong Kong legal experts, led by Director of Public Prosecution John Wood, visited Beijing and Shanghai as part of a reciprocal exchange in legal studies over the past few years.
- Lord Caithness, the Foreign Office Minister with special responsibility for Hong Kong, paid a short visit to the territory after Beijing. He defended the Court of Final Appeal makeup and admitted that it was not as flexible as the UK government wanted, but more so than the Chinese wished. He also rejected legislative councillors' demands that LEGCO be consulted before issues are raised in the Sino-British Joint Liaison Group.
- Chinese authorities in Beijing and Hong Kong

branded LEGCO as "an advisory body to the Governor" which has no power to repudiate the Sino-British agreement on the Court of Final Appeal. Legislators voted 34-11 in favour of more negotiations and flexibility in the CFA structure. According to Chief Secretary David Ford, this vote will be bypassed by the Hong Kong government.

- South Korea will maintain a consulate in Hong Kong after 1997, according to an agreement reached in November at the APEC ministerial meeting in Seoul by Foreign Ministers Lee Sang-ock and Qian Qichen. About 130 South Korean firms are currently operating in Hong Kong and trade last year totalled US\$4 billion.
- According to a forecast by the Hong Kong Trade Development Council, total exports will rise by a moderate 17% in value and 14% in volume next year. These figures are lower than last year's predicted growth rate of 19% and 16% respectively for this year.

### VIETNAM

- The last 16 "double backer" Vietnamese boat people were sent back from Hong Kong to Vietnam, along with 12 recent arrivals. Hong Kong police and Correctional Services personnel were on hand to ensure a smooth departure from Hong Kong.

### ONGOING AND UPCOMING/ A VENIR

Howard Balloch, currently Director General of Policy Planning Staff, has been named Assistant Deputy Minister, Asia Pacific Branch, External Affairs and International Trade Canada, effective Jan. 2, 1992.

- Experience Canada, Seoul 10-22 Feb. 92
- Quebec Mission to China Jan. 5-13
- Quebec Mission to Vietnam 14-20

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