

BULLETIN

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NORTH ASIA - ASIE DU NORD

JAPAN/JAPON

- Nihon Keizai and Asahi report the EC and Japan have agreed to a seven year quota on Japanese auto imports from the date of EC market integration on Jan. 1, 1993. The agreement is expected to accelerate investment in the EC by Japanese automakers because cars produced by Japanese plants in Europe will not be included in the quota.

- JAMA announced vehicle exports in the first six months of 1991 fell 1.9% from 1990 to 2,846,870. Shipments to the US dropped 9.8% to 950,598, while EC shipments rose 12.8% to 769,716.

- In response to the recent securities scandal, the LDP's Secretary General has called for the creation of a watchdog agency independent of the Finance Ministry, and based on the US Securities and Exchange Commission (SEC). Media sources say the statement, made at a meeting with business leaders, is the strongest endorsement yet of a "Japanese-style SEC" by a senior LDP official.

- The Japan Fisheries Association and its Korean counterpart have asked their governments to oppose the Canadian and US proposals to remove all tariffs on fish products as part of the Uruguay Round GATT settlement, media sources report. The Association's statement insists tariff removal will raise havoc in their industries. However, Japanese tariffs on fish imports average about 5% and the country is already the world's largest importer.

- Nihon Keizai says Kobe Steel and the Aluminum Co. of America have agreed to set up a joint venture to build an aluminum plant in Tokyo to supply forms and products for transportation vehicles.

- Kyodo quoted a statement by Indonesia's

Director General of Foreign Trade that his country will complain to GATT if Japan does not reduce its tariffs and NTBs to Indonesian plywood exports.

- The Indonesian government announced that during the first six months of 1991, Taiwan replaced Japan as the country's largest foreign investor. During that period, US\$ 903 million in investment came from Taiwan as opposed to US\$ 543 million from Japan. Kyodo says Taiwanese investments have occurred in the textiles, paper, and shoe manufacturing sectors.

- A Japan-US consortium, headed by Fujitsu and including AT&T and NEC, has won a contract to lay an optical cable from Japan to Singapore with forks to Taiwan, Hong Kong, and Malaysia. Press reports claim the "APC system" will be completed by 1993 and become part of a global loop of optical cable.

- D'après un sondage du Mainichi, le gouvernement Kaifu obtient 42% d'opinions favorables, une augmentation d'un point sur le mois dernier. Les mécontents enregistrent une hausse de 6 points à 33%. Le Parti libéral démocrate (PLD) perd brutalement 9 points à 40% sans que la cote des partis d'opposition en bénéficie. 53% des personnes interrogées pensent que le PM Kaifu devrait conserver la direction du PLD.

CHINA/CHINE

- According to media sources, the flood crisis is far from over despite receding waters and an impressive mobilization of Chinese resources in clean up operations. Approximately 21 million people have been affected in the two worst hit provinces of Anhui and Jiangsu. Economic losses are

estimated at 5-10 billion dollars. The greatest priority needs are shelter, medicines, water purification tablets and equipment.

- Lu Ping, head of PRC State Council's HK and Macau Affairs Office, is holding talks with HK Governor Wilson in Shenzhen to discuss HK's airport project. A new committee will be formed under the Sino-British Joint Liaison Group in accordance with the recently initialled Memorandum of Understanding.

KOREA/CORÉE

- According to media sources, North Korea is seeking foreign investment, including South Korean investment, to build a free trade area in Chongjin, north of Pyongyang.

- Press reports maintain that exports of Korean made textiles to Canada during the first six months of 1991 remained below 30% of the 1991 yearly quota in all 16 product categories, except winter coats.

- Dooyang corp. is part of a joint venture project to build an aluminum refining plant in Venezuela with a yearly capacity of 239,000 tons, media reports disclosed. The other partners are Kaiser Aluminum and Venezuela Guayanan Development Corporation. It is the first investment overseas by a Korean firm in the non-ferrous metal industry.

- The government will locate 26 semiconductor manufacturers in two industrial complexes in southern South Korea to ease plant site shortage. Companies will be encouraged to engage in joint ventures with Japanese and American firms.

- Press reports indicate South Korea will file its application for UN membership on August 6th, and the North and South Korean applications will be dealt with by the Security Council on August 9th.

- South Korea is liberalizing foreign exchange transactions by revising the relevant law to adopt a "negative list system" under which transactions are free in principle with some exceptions, the local press announced.

- Media reports claim that by 1996, the South Korean government will expand the country's electricity supply from the present 21 million kilowatts to 34 million, refining capacity will grow from 990,000 to 1.23 million barrels per day, and liquified natural gas handling capacity will be increased to nine million tons from the present two million tons.

HONG KONG

- The Commission for Canada in HK has relaxed the criteria for business investors which may help doctors, lawyers, and other professionals emigrate to Canada. The South China Morning Post reports that in 1990, 2699 out of 8534 business person migration visas went to investors.

- According to the HK Standard, Australia will introduce tougher English language requirements under a new immigration scheme. Under the present business emigrant visa system, English language capability is not essential.

- South China Morning Post maintains economic confidence in the territory has increased since announcement of the UK-China agreement on HK's new airport. The HK quarterly opinion poll shows a 10 point increase in the Economic Confidence Index.

**ONGOING AND UPCOMING/
A VENIR**

-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

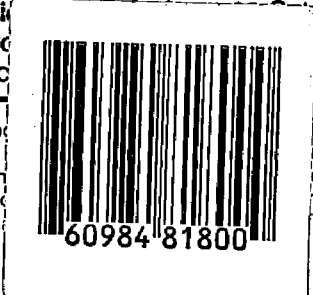
-Tokyo International Gift Show - Sept. 3-5.

-Seoul Instrument '91 - Sept. 13-17.

-Building Products Missi

-Software Mission/Tokyo '91/Osaka - Sept. 29-Oct

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