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NORTH ASIA - ASIE DU NORD

based on media surveys in the North Asia region

CHINA/CHINE

- China and Laos have signed a memorandum of understanding opening seven more temporary border checkpoints in order to facilitate economic cooperation.

- Un porte-parole du ministère des Affaires étrangères a qualifié de "sage et réaliste" la décision du Président Bush d'oeuvrer pour une prolongation du statut de la nation la plus favorisée dont bénéficie la Chine.

- Le ministère des postes a annoncé qu'à partir de cet été, un service de mandats postaux pour les envois d'argent outremer sera remis en opération après une interruption de 39 ans.

- On July 1, the Chinese government will issue US\$3.85 billion in state treasury bonds. They will carry an interest rate of 9.5%. Experts estimate that there is approximately US\$200 billion of untapped capital in individual hands.

- The People's Daily reports that about 40% of the country's total output of resources, such as coal, oil, timber, iron and steel, is lying idle in factory warehouses. State-run enterprises maintain large reserves of resources, sometimes enough for several months of production.

- A Foreign Ministry spokesman said on May 30 that the recent statement by British officials that the Hong Kong Basic Law could be amended before 1997 was misleading. He reiterated the Chinese position that the law cannot be amended before it comes into effect on July 1, 1997.

KOREA/CORÉE

- The 14th National Assembly session began its four year term on May 30. However, the Assembly is not expected to sit for a number of months. The main issue dividing the political parties is timing of elections for large city mayors and governors. By law, elections are to be held by the end of June, but the government wants to delay them because of presidential elections in December.

- North Korea boycotted a Military Armistice Commission meeting which was convened by UN Command to protest the infiltration on May 22 of the DMZ by three heavily armed North Korean soldiers.

- The Ministry of Finance has announced that foreign investors will be allowed to buy shares of two state run companies - Pohang Iron and Steel (POSCO) and Korea Electric Power Corporation (KEPCO). The ceiling on foreign holdings is 8%. The move is interpreted as an indirect effort to boost the sagging stock market in which KEPCO alone accounts for 12.6% of total capitalisation.

- Prime Minister Chung Won Shik has sent a message to his North Korean counterpart suggesting that economic cooperation will be put on hold unless progress is made soon on nuclear issues.

- Korean Energy Minister Jin Nyum returned from a visit to Russia and Mongolia this week with news of an agreement with the Russians on joint development of the oilfields near Khabarovsk.

- The Korean economy is showing signs of a mild slowdown with slower rates of construction growth, and declining machinery orders and other facility investments. Plant operation rates, however, are still at close to 82% and both production and shipments continue to expand.

TAIWAN

- Imported consumer goods between January and April rose by 35% from a year ago. While imports of luxury goods (including gold and silver) increased 50%, imports of capital fixtures and industrial and agricultural raw materials increased only 6%, raising concerns over low levels of domestic investment.

- Some 19.7% of Grade A office buildings were vacant in Taiwan in 1991, one of the highest rates in Asia. Oversupply is projected to keep rents down for the foreseeable future with current average rents at \$2,100 per ping (36 square feet) per month, a decline of 8.7% over last year.

- Pour la première fois en 30 ans, le ministère des finances accepte le dépôt de demande d'établissement de nouvelles sociétés d'assurances. Les nouvelles firmes doivent avoir une capitalisation minimale de US\$80 millions et peuvent s'associer avec compagnies étrangères à condition que la participation de ces dernières soient inférieures à 49% de la nouvelle société.

- Taiwan's parliament passed a record NT\$1.063 trillion (US\$43 billion) central government budget for the fiscal year beginning July, an 8.4% increase from last year. The main opposition party voted against the budget, demanding closer scrutiny of defence spending. The biggest outlay of spending was defence, which accounted for 24% of the total budget.

- Due to the recent revision in article 100 of the criminal code, the Taiwan High Court Prosecutor's offices recently closed 16 sedition cases, ending probes of more than 200 political dissidents allegedly involved in pro-independence activities.

HONG KONG

- British and Chinese Prime Ministers John Major and Li Peng held talks this week at the Rio Summit to break the deadlock over Britain's plan to finance the Chek Lap Kok airport project.

- HSBC Holdings raised its bid for Midland Bank by 18% to US\$8.4 billion. The final offer is aimed at killing a challenge from Lloyds Bank.

- Airlines are revolting over government plans to raise airport landing and parking charges by up to 500% over the next 5 years. Hong Kong flag carrier Cathay Pacific, which accounts for 40% of air traffic into Kai Tak would be hardest hit. Revenues obtained would help finance Chek Lap Kok.

VIETNAM

- The Foreign Ministry reportedly announced recently that the last inmates from the 1975 era "re-education" camps were released April 30.

- Hanoi has replaced longtime Finance Minister Hoang Quy with his deputy, Ho Tu. Dissatisfaction with Hoang had apparently been building for the last three years.

- At the end of May, Foreign Minister Nguyen Manh Cam made an official visit to Poland. Discussions were held on economic cooperation and on Vietnam's debt to Warsaw.

ONGOING AND UPCOMING/ A VENIR

- IBEX 92 Building Show (Hong Kong) - June 11-13.

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