The Asia-Pacific Region And The Emerging International Economic Order

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It is commonplace today to talk of the Asia-Pacific (AP) region, comprising Japan, China, the newly industrialized economies (NIEs) of South Korea, Taiwan, Hong Kong, and Singapore, and the Association of Southeast Asian Nations (ASEAN) of Brunei, Indonesia, Malaysia, Philippines, and Thailand as the world's most successful and dynamic economic group. These AP economies are all situated on the western rim of the Pacific, and they have displayed a strong capacity for high economic growth for a sustained period.

The growth processes of the NIEs started in the 1960s, while Japan's high growth can be traced back even earlier to the 1950s. In fact, several AP economies have one after another broken the world's growth records. While it had taken the United Kingdom, the world's first industrial state, 58 years from 1780 to double its per capita income, it had taken Japan from 1885 only 34 years; Indonesia from 1968, 17 years; South Korea from 1966, 11 years; and China from 1977, 10 years, just to achieve that.[1]

With the concentration of the world's best-performing economies, the AP region is thus poised to challenge the old economic hub of the North Atlantic and the emerging economic entity of North America. Hence the notion of the 21st century being the "Pacific century." Before this should become a reality, however, the AP economies would have to continue their rapid economic growth in the crucial transitional period of the 1990s.

It has now become sufficiently clear that both the internal and external conditions for the next phase of growth of the AP economies in the 1990s are expected to be much more difficult. On the domestic front, many AP economies have to grapple with a number of structural problems and internal constraints arising from their past rapid economic growth. Some are also faced with the prospects of the weakening of their original growth-inducing forces.

External uncertainties will present even greater challenges to the AP region. To the extent that export expansion has been the main driving force behind the dynamic growth of the AP economies, their economic growth engine has become heavily dependent on the ebb and flow of the global economy. However, the emerging global economic order will be much less conducive for the export-oriented AP economies. Plagued by persistent structural malaise, Western economies have allowed protectionism to grow and have taken increasingly more restrictive trading practices. The ground rules for free (or freer) international trade, on which most AP economies had thrived in the past, are likely to be altered in the 1990s.

Thus, attempts by the United States to correct its double deficits will certainly curtail the market share for exports from the AP region. At the same time, it would not be easy for the AP economies to turn to their next most important export market, the European Economic Community (EEC), which is moving towards an equally restrictive single market next year. The AP region has not yet developed a viable alternative market which is sufficiently large to absorb the massive exports from the aggressive export-oriented AP economies.

The momentous political and social transformation that is taking place in the Soviet Union and Eastern Europe has added further volatility to the global economy. There is still a great deal of uncertainty as to the actual balance of costs and benefits to the AP region resulting from the political

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1. See World Bank, *World Development Report 1991: The Challenge of Development* (New York: Oxford University Press, 1991), pp. 12-13.

changes in Eastern Europe. Equally uncertain is the eventual peace settlement in the Middle East following the end of the war in the Gulf.

All these political and economic uncertainties have forcefully driven home the fact that a stable new global order has yet to develop to fill the vacuum left by the ending of the Cold War and the collapse of the "Pax Americana" in the world economic arena. The emerging global order is likely to be something based on the multilateral harmony of "Pax Consortis," which is admittedly less ideological but not necessarily less political in terms of international economic relations. Indeed, if the present stalemate of the Uruguay Round can be taken as an ominous signal, the new global order, lacking coherent economic objectives and commonly accepted goals, may fail to provide a strong framework for world economic growth. Accordingly, the AP economies in their next round of economic growth are facing the double challenges of coming to grips with both their greater domestic constraints and a less favorable international economic climate.

Problems and Prospects of Various Components

The AP economies have both structural similarities and differences with one another. But the AP economies can be conveniently put into four categories based on their development processes. Each has its own distinctive problems with its own initiatives.

Japan

Today's Japan is clearly a world-class economic superpower, second only to the United States. But Japan's nominal per-capita GNP, at US$ 24,000 in 1989, has already surpassed that of the United States. With its per-capita income level 68 times that of China, 3 times the average of the NIEs and 21 times the average of the four ASEAN economies minus Brunei, Japan is undisputably the natural economic leader of the AP region (See Table 1). To play out its economic role effectively, Japan will have to undertake certain leadership responsibilities such as boosting the region's economic growth and then letting the growth benefits spill over to the other AP economies, which have become increasingly integrated with Japan.

The Japanese economy is entering the 1990s amidst a continuing boom created by the virtuous circle of rising business investment and increasing household income and private consumption. The current phase of economic expansion, dubbed the "Heisei Boom," is the outcome of Japan's successful structural adjustment since 1987 by reducing reliance on external demand to fuel its economic growth and by relocating its labor-intensive production facilities overseas.

The recent decline of the yen and the jitters in the Tokyo stock and property markets have only slightly dampened the current boom, which might well be carried through the early 1990s and could possibly outrun the longest post-war economic expansion called the "Izanagi Boom." According to the official forecast, the Japanese economy could grow at 4% in the first half of the 1990s and 3.5-4% for the second half.[2] Such growth is clearly respectable.

Over the longer run, the ability of the Japanese economy to sustain another long period of high growth is clouded by a number of negative factors. As result of demographic transition, Japan will increasingly face the problem of an ageing population at the turn of this century. This may affect Japan's celebrated high labor productivity and render the economy more consumption-oriented, and hence also a lower savings rate.

As a full-fledged developed economy, Japan will depend more on technological progress as the mainspring of its economic growth. Increasingly, Japan has to generate its own scientific innovation to sustain technological progress. Japan has so far taken a clear technological lead in only selected fields like robotics, but it has yet to excel in many areas of basic science and technology over its Western competitors. To close the technological gaps, Japan may need to improve its education system and to internationalize its scientific establishment, apart from merely pumping in more resources for research and development.

Reforms are also needed to change its financial sector and its electoral system ("money politics"). At present, the Japanese have achieved high incomes but not really the commensurate degree of material affluence that is enjoyed in the West. When Japan has eventually realized a truly affluent society in the years to come, would this result in an anti-growth lifestyle and in the softening of its basic value system, as it has happened in the West? No economic miracle can last forever. Even though Japan is endowed with unique economic and social forces to foster long-term economic growth, it is only natural to expect that cracks could somehow develop in the system which would then give way to slower growth. Such are the challenges for Japan in the 1990s and beyond.

China

Just as Japan stands out in the AP region because of its economic prominence, China on account of its sheer size is important for its dominant geopolitical influence. China holds the key to political stability in the region and actually operates powerful leverage directly on Hong Kong and Taiwan. With its vast population, big market, and huge resource base, the Chinese economy obviously also offers new opportunities for the other AP economies. Hence the region has a strongly shared interest in the continuing political and economic stability of China.

Since the introduction of the open-door policy and economic reforms,

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2. *The Keidanren Review on the Japanese Economy*, No. 128, April 1991.

the Chinese economy has chalked up very impressive growth averaging at nearly 10% a year for the 1980s. Furthermore, the Chinese economy in recent years has become increasingly integrated with the AP region through trade and investment.[3] More than half of China's exports are destined for the AP region, and more than three-quarters of foreign investment in China also stem from the AP region. These trends are expected to be intensified in the 1990s so long as China maintains its open-door policy and a reasonable rate of economic growth.

In the wake of the Tiananmen Square incident, China's economic growth in 1989 nosedived to 3.8% from 10.9% in 1988, mainly due to the implementation of a stringent austerity program to curb inflation. By the middle of 1990, the double-digit rate of inflation was brought under control, though at the cost of slower industrial growth. In the second half of 1990, the Chinese economy rebounded, ending 1990, with a 5% growth. Furthermore, the growth momentum has since been built up and is likely to be carried forward to the early 1990s.

With maintaining macroeconomic stability as its top priority, it is difficult for the Chinese economy in the short-run to return to the heady days of double-digit growth of the mid-1980s. The Eighth Five-Year Plan, 1991-95, has set 6% as its desired annual average rate of growth, which is an achievable target. Indeed, it is easy for the Chinese economy to resume high growth, but difficult for it to combine fast growth with stability or growth with efficiency, i.e., growth to be induced by higher productivity. It was recently reported that China's industrial growth in the first half of 1991, at 13.4%, was more than double the targeted rate; and this was achieved despite the chronic problems of low efficiency, huge stockpiles of unsold goods, and unpaid debt among enterprises.[4]

The Chinese leadership, having learnt the lessons of the turbulent 1980s when the economy experienced violent fluctuation in its process of growth, is finally paying attention to the "quality" aspects of economic growth by calling for the "gradual rationalization of the economic system and its operating mechanism." It is willing to trade off a lower rate of growth for more efficiency and stability. Like so many other economic woes of China today, their effective solution lies in the broadening and deepening of the existing economic reform, which is admittedly a long, drawn-out process.

Over the longer run, China has to devote more attention to promote further growth in agricultural productivity in order to feed its growing population. By the end of this century, China's population will swell to over 1.3 billion. With its cultivated acreage continuing to decline due to urbanization, China's food and population balance would become precarious should there be no significant improvement in agricultural productivity.

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3. For a more detailed discussion of this topic, see John Wong, "Integration of China into the Asia-Pacific Region," *The World Economy* Vol.11, No.3, Sept, 1988.

4. *The International Herald Tribune*, July 11, 1991.

China's basic infrastructure and transport network also needs to be upgraded and expanded. This would require massive injection of foreign capital and technology. The recent extensive flooding in Central and Eastern China suggests that China is also facing a serious environmental problem which needs to be tackled urgently. Any long-term solution of the environmental problem is an expensive proposition, and for this China will also need external financing. Here Japan and the NIEs have a positive role to play. It is certainly not in the interest of the AP region to leave China in the economic backwater, even though China alone can set its own pace of progress and determine its own destiny in the global economy.

NIEs

The four NIEs of South Korea, Taiwan, Hong Kong, and Singapore, dubbed as "Asia's four little dragons," constitute arguably the most dynamic economic component of the AP region. Poor in natural resources and scarce in land, these four NIEs have consistently maintained near double-digit rates of economic growth for three decades, based primarily on the rapid expansion of manufactured exports. With their combined population of only 1.4% of the world total, they have succeeded in capturing a staggering share of 8.4% (for 1989) of the world export markets.

The average per capita income of the four NIEs in 1989 was US$7,200, which was about the same level of Japan's just ten years ago. By the end of this decade, all the NIEs will clearly become fully developed economies – in fact, the World Bank has already "graduated" Hong Kong and Singapore to the "developed country" status on the basis of their nominal per-capita GNP. In other words, the NIEs will have by then achieved what Japan has achieved in less than half of the time that Japan had taken.

However, the NIEs are entering the 1990s facing a number of formidable external and internal challenges. To begin with, the global economy, with increasing politicization of trade and growing market restrictions, will certainly work against the export drive of the NIEs. At the same time, the export competitiveness of the NIEs has also been rapidly eroded as a result of their rising wages and costs, currency appreciation, and labor shortages. The NIEs are in fact being uncomfortably sandwiched. On the one side, they are facing growing competition from the other AP economies like China and ASEAN for the labor-intensive and low value-added exports. On the other side, the NIEs, for lacking the technological edge, are not in a position to compete head-on with Japan and other advanced industrial countries for the high value-added exports. The NIEs are still quite weak in "non-price competitiveness" vis-a-vis Japan in respect to product quality, reliability, design, and after-sales services. So the NIEs will face serious obstacles in their efforts to expand manufactured exports in their traditional markets in the 1990s.

Internally, each of the four NIEs is confronted with its individual bottleneck of economic growth. South Korea is adjusting itself to the problems caused by rising wages and mounting industrial disputes. Though South Korea had the lowest per-capita income among the four NIEs, its hourly wage cost in 1990 was the highest.[5] Taiwan has to cope with its falling domestic investment caused in part by problems arising from the structural shifts of the economy. Despite its surging trade surplus and foreign reserves, the average level of gross domestic investment in Taiwan for 1981-90 was only 22.6% of GDP, compared to 30.6% for 1971-80.[6] Hong Kong has to come to grips with various political and economic problems associated with the 1997 transition. Though it has reached accord with China over the new airport, Hong Kong is still hit by an inflation of a structural nature. As for Singapore, acute labor shortages remain the Achilles' heel of the economy.

To cope with these external and internal economic challenges, the NIEs have introduced a kind of industrial policy, variously called "Industrial sophistication" in South Korea, "Industrial upgrading" in Taiwan, "Industrial diversification" in Hong Kong, and "Second Industrial Revolution" in Singapore. They are all designed to upgrade the industrial structures of the NIEs towards more skills-intensive and higher value-added activities. Such structural adjustments are expected to be intensified throughout the 1990s. Whether or not the NIEs can sustain dynamic growth in this decade depends on the outcome of their economic restructuring efforts.

ASEAN

The fourth component of the AP region is made up of the ASEAN countries, which actually include Singapore. The ASEAN-minus-Singapore economies are originally resource-based, with their past economic growth heavily dependent on the export of primary commodities and natural resources such as rubber, tin, palm oil, coconut, rice, petroleum, and gas.[7] Hence, they all experienced strong economic growth in the 1970s on the back of the raw materials boom. But their growth plummeted in the early 1980s due to the general slump in the world commodity prices. Aggravated by gross economic mismanagement and political instability, the Philippine economy had even plunged into negative growth in the mid-1980s.

This prompted the ASEAN economies to undertake vigorous structural adjustment and to step up the expansion of their non-traditional exports. The ASEAN economies, with the exception of the Philippines, have since

5. According to the US Bureau of Labor Statistics, the average hourly wage cost for South Korea in 1990 was US$4.16, compared to $3.98 for Taiwan, $3.20 for Hong Kong, and $3.78 for Singapore (*Business Times*, Singapore, July 18, 1991).

6. Asian Development Bank, *Asian Development Outlook 1991* (Manila, 1991), p.285.

7. For a more detailed discussion of the structure of the ASEAN economies, see John Wong, *ASEAN Economies in Perspective: A Comparative Study of Indonesia, the Philippines, Malaysia, Singapore and Thailand* (London: Macmillan Press, 1979, reprinted 1981).

resumed their robust growth, in part due to the gradual recovery of the world primary commodity markets and in part due to their successful transition from import-substitution to export-orientation. Domestic economic policies in most ASEAN countries, from the liberalization of trade regimes to foreign investment promotion, were all designed to maximize export-oriented growth.

The ASEAN economies are entering the 1990s with renewed vigour. Except for Brunei and Indonesia, manufactured exports have overtaken primary commodities as their main engine of economic growth. Their boom in manufactured exports have been fuelled by the influx of foreign investment from Japan and the NIEs. Driven by higher wages and declining comparative advantage, manufacturers in East Asia have been shifting their labor-intensive production to the ASEAN, particularly Thailand and Malaysia. Such trends are expected to continue. Not surprisingly, the overall economic outlook in the 1990s seems more promising for the ASEAN economies than for the NIEs. Indeed, such ASEAN countries as Malaysia and Thailand are set to develop into the next generation of NIEs by the turn of this century.

Over the longer run, the ASEAN should make efforts to address its two basic structural shortcomings which have become increasingly apparent as the ASEAN economies continue to surge in growth. First, the ASEAN's basic infrastructure is still inadequate for more intensive industrialization. The problem has already surfaced in Thailand and Indonesia. Second, the present level of skills and human resource development in the ASEAN (which has been the most important factor for the industrialization success of the NIEs) is still inadequate to support a higher scale of industrialization. The main challenge for the ASEAN in the 1990s is how to overcome these basic constraints that stand in the way of their future economic development.

Managing Economic Interdependence

The AP economies, despite their inherent political, social, and economic divergence, can actually integrate quite well as an economic grouping. Japan is the natural economic leader in the group and can also be the prime source of capital and technology for the other AP economies. The resource-based ASEAN economies certainly complement well with the manufacturing-based NIEs, while both are also complementary with the developed Japanese economy. Then the huge potential of China, with its diverse resources and needs, promises to offer added opportunities for all. Not surprisingly, the AP region has already developed a significant degree of economic interdependence, but mainly due to the working of the market forces. Growing regional economic interdependence is manifested in the fairly high level of intra-regional trade. As shown in Table 2, the AP region in 1989 absorbed 65% of China's total exports, 42% of the NIEs', 54% of the ASEAN's, though only 28% of Japan's.

Apart from a high level of intra-regional trade, increasingly intra-regional investment flows have also operated as a strong integrating force. Most AP economies are open and outward-looking in terms of allowing foreign economic elements to play an important part in their economic development. In particular, China and the ASEAN have introduced various incentive schemes to attract foreign investment, which is treated not just as an additional source of capital but also as a means of technology transfer and export market development.

Initially, Western capital, particularly that from the United States, dominated the region's foreign direct investment scene. Then came the Japanese capital as the second wave. Today, the cumulative stock of Japanese direct investment has surpassed that of the American. During the past few years, the AP region has witnessed a new but no less significant development, which is associated with greater investment flows from the NIEs to the ASEAN and China. The NIEs, having transformed themselves from capital-shortage to capital-surplus economies, have become a new source of capital outflow to the other AP economies. The NIEs thus form the third wave of foreign direct investment in the region, which will grow increasingly important as a new integrating force in the 1990s (See Table 3).

Below this macro-level movement of trade and investment is the equally important process of sub-regional economic integration among different groups of AP countries, which is either taking shape or being stepped up in recent years. The case in point is the Hong Kong-South China-Taiwan Growth Triangle, which is already transforming the economies of China's southern provinces and changing the economic orientation of both Taiwan and Hong Kong.[8] The other sub-regional arrangement is the much smaller Singapore-Johor-Batam(Riau) Growth Triangle, which has already taken off two years after it was first mooted in December 1989. Other potential growth triangles to take shape in the course of this decade will include activities centered in Thailand (e.g., the Indochina-Thailand-Burma Triangle) and those in Northeast China (e.g., Korea-Northeast China-Japan).

Suffice it to say that a growth triangle initially starts off as a focal point for regional investment, which then generates more regional trade and eventually greater integration of the participating economies. In this way, various sub-regional arrangements will lead to greater economic interdependence of the AP economies as a whole. The pattern of economic growth in the AP region, with Japan taking the lead, to be followed by the NIEs and then China and the ASEAN -- often referred to by Japanese economists as the so-called flying geese formation -- actually facilitates the shift of comparative advantage from one economy to another within the region. This in turn creates the economic precondition for greater regional trade and greater investment flows.

Growing economic interdependence in the AP region will operate as a new source of economic growth for all the AP economies. Such a regional alternative to economic growth is becoming strategically important as the

8. For a further discussion of the concepts and processes of this triangle, see *Building Prosperity: A Five-Part Economic Strategy for Hong Kong's Future* (Hong Kong: The Hong Kong Economic Survey, Ltd., 1989).

evolving global economic order has become less dependable for the continued growth of the AP economies. The AP economies should therefore mobilize all the regional and sub-regional initiatives to further their objective of economic growth.

Renewed Efforts of Regional Cooperation

In the 1970s, a series of international economic crises led to the formation of the concept of a New International Economic Order. The developing countries felt that they could obtain more equitable participation in the growth of the global economy if they acted as a group. In dealing with many vital international economic issues (e.g., trade negotiation) collectively, they could secure a better leverage vis-a-vis the developed countries or other country groups. The 1990s may well see another upsurge of regional economic cooperation activities. In the era of increasing politicization of international trade, group pressures rather than individual country action may, ironically, be more effective in maintaining the free trade regime.

Such is the underlying rationale behind the concept of the East Asian Economic Grouping (EAEG), first proposed by Prime Minister Mahatmir of Malaysia in 1990. It is the same motivation that underscores the current ASEAN efforts to accelerate the process of ASEAN economic cooperation (e.g., Thailand's recent proposal of setting up the ASEAN Free Trade Area by the end of this century) and to include the Soviet Union and China in the ASEAN's post-ministerial conference dialogue sessions -- the so-called "six plus 7" meetings.

In short, the less developed AP economies are just beginning to learn that the growing economic interdependence of the AP region is a potentially powerful force which could be effectively utilized to face an uncertain global economic order for the single purpose of maintaining the region's dynamic growth through the 1990s. To this end, both Japan and China can play an important role. As the dominant economic power in the AP region, Japan should make a stronger commitment to boosting the prosperity of the region by opening up its domestic market to the exports from the other AP economies and by channeling more direct investment and development assistance to the less developed parts of the region. As the region's largest nation, China, on the other hand, has the geopolitical responsibility to maintain the region's political and social stability so vital to the process of growth and development for all the AP economies.

Table 1. Economic Potential of the Asia-Pacific

	Area (thousand of sq. km.)	Population (million, 1989)	Total GNP (US $ million, 1989)	Nominal GNP per capita 1989 (US$)	Real GDP Growth (%) 1960-1970	1970-1980	1980-1989	1990	1991	Per capita value-added in manufacturing 1988 (US$) Annual	Export Growth (%) 1965-1980	1980-1989	Manufacturing export as % of total exports 1989
China	9,561	1,113.9	417,830	350	5.2	5.8	9.7	5.0	5.7	127	5.5	11.5	70
Japan	378	123.1	2,818,520	23,810	10.9	5.0	4.0	5.1	NA	6,757	11.4	4.6	97
NIEs													
S. Korea	99	42.4	211,880	4,400	8.6	9.5	9.7	8.0	7.5	1,279	27.2	13.8	92
Taiwan	36	20.2	158,474	7,510	9.2	9.7	7.1	5.1	5.9	1,624	28.5	16.3	93
Hong Kong*	1	5.7	52,540	10,350	10.0	9.3	7.1	2.5	3.5	1,891	9.1	6.2	96
Singapore**	1	2.7	28,360	10,450	8.8	8.5	6.1	8.3	5.9	2,743	4.7	8.1	73
ASEAN													
Brunei***	6	0.3	5,250	21,000	NA	NA	NA	3.0	NA	NA	NA	NA	NA
Indonesia	1,905	178.2	93,970	500	3.9	7.6	5.3	7.5	7.0	87	9.6	2.4	32
Malaysia	330	17.4	37,480	2,160	6.5	7.8	4.9	9.8	8.5	NA	4.6	9.8	44
Philippines	300	60.0	44,350	710	5.1	6.3	0.7	3.3	2.1	164	4.6	1.3	62
Thailand	513	55.4	69,680	1,220	8.4	7.2	7.0	10.0	7.4	266	8.6	12.8	54

*GNP data for Hong Kong refer to GDP

** Singapore is a member of the ASEAN

***Data for Brunei based on 1988 data

Source: *World Development Report* (1991 and other years); and for Taiwan, *The Statistical Yearbook of the Republic of China 1990*; and Nomura Research Institute, *NRI Quarterly Economic Review* (May 1991).

Table 2. Direction of Trade of the Asia-Pacific Economies, 1989

	Total Exports (US$ million)	Total	USA	Japan	EEC	China %	NIEs %	ASEAN %	Asia-Pacisic %
Japan	247,597	60	34	--	17	3	19	6	28
China	51,751	35	8	16	0	--	46	3	65
NIEs									
S. Korea	62,371	74	34	22	12	#	10	4	36
Taiwan	66,201	--	36	14	--	#	15	11	40
Hong Kong	73,114	53	25	6	15	26	9	4	45
Singapore	44,769	51	23	9	13	3	11	22	45
ASEAN									
Brunei	1,931.4	71	4	51	14	--	17	11	79
Indonesia	21,936	71	16	42	11	2	17	3	64
Malaysia	25,049	54	19	16	15	2	30	6	54
Philippines	7,753.9	79	38	20	17	1	11	4	36
Thailand	20,028.2	63	21	17	19	3	14	4	38
	Total Imports								
Japan	209,635	50	23	--	13	5	13	11	29
China	58,316	51	12	17	15	--	26	4	47
NIEs									
S. Korea	61,556	74	26	29	11	#	4	6	39
Taiwan	52,249	--	23	31	--	#	8	3	42
Hong Kong	72,149	39	8	17	10	35	18	3	73
Singapore	49,694	56	17	21	13	3	10	16	50
ASEAN									
Brunei	1,493.9	55	5	6	36	0.2	35	9	50.2
Indonesia	16,467	64	13	23	16	3	17	4	47
Malaysia	22,588	63	17	24	14	3	23	5	55
Philippines	11,165.3	57	19	19	11	2	20	5	46
Thailand	25,296.1	63	11	31	14	3	16	5	55

up to 1987, both South Korea and Taiwan had no recorded direct trade with China; their trade was conducted mainly through Hong Kong.
Note: 1) Singapore is also a member of the ASEAN. 2)"Asia-Pacific" is defined to comprise Japan, China, NIEs, and the ASEAN.
Source: IMF, *Direction of Trade Statistics 1990 Yearbook*; for Taiwan, country source.

Table 3. Flow of Foreign Direct Investment
From East Asia to ASEAN, 1986-1989
US$ million

	To:							
	Indonesia		Malaysia		Philippines		Thailand	
	1986-88a	1989	1986-88a	1989	1986-88a	1989	1986-88a	1989
From:								
Japan	369	769	265	993	49	158	1,522	3,524
NIEs	663	1,197	315	1,335	63	323	815	2,012
Hong Kong	157	407	57	130	21	133	211	562
Korea	78	466	7	70	1	17	41	171
Singapore	116	166	112	338	1	24	157	411
Taipei,China	312	158	139	797	40	149	406	868
Asia Total:	1,0312	1,966	580	2,328	112	481	2,337	5,536
World Total:	2,231	4,719	1,112	3,194	239	804	3,279	7,996

a Data refer to annual average

Sources: Government of Indonesia, Investment Coordinating Board; Government of Malaysia, Industrial Development Authority; Government of the Philippines, Board of Investments; and Government of Thailand, Board of Investment.