

# 九〇年代以來澳台與澳韓經貿關係 之比較研究

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## 中文摘要

九〇年代澳台雙邊貿易總額從一九九〇年的廿八億美元激增到九七年的五十億美元。受東亞金融危機的衝擊，九八年跌至四十五億美元，九九年又攀升至四十八億美元。此期間，澳洲對台貿易持續維持順差，從一九九〇年的三億八千萬美元激增到九七年的十三億美元，九八年減少一億美元，九九年再減少一億，為十一億美元。一九九九年台灣自澳洲進口了廿九億五千七百萬美元的產品，而對澳洲出口總額則為十八億四千七百萬美元。目前澳洲是我國的第七大進口來源、第十三大出口市場，而我國則是澳洲的第五大出口市場、第八大進口來源。澳洲對台的出口大宗依次為煤、原油、鋁、羊毛與另一項不公開產品（很可能是鈾）。一九九八年我國自澳洲進口的鐵礦佔該年度進口鐵礦總額的百分之五十八，中鋼是澳洲鐵的最大買主。同年我國自澳洲所進口的煤也佔該年進口煤總額的百分之四十七。此外，該年度我國進口黃金的四分之一是來自澳洲。我國次於中國與義大利是澳



洲的第三大羊毛市場。另一方面，澳洲自我國進口的主要項目是電腦與辦公用機械與零件。

至於澳台間的相互投資，至一九九九年十二月底止，澳洲在我國的投資累計總額是台灣在澳洲投資累計總額的八倍以上。澳洲在台投資總額已累積至八億五千四百萬美元，使澳洲成為台灣的第六大外來投資國。而我國在澳洲投資總額累計達一億美元。不過，台灣是澳洲的第一大投資移民來源，第二大商業移民供給國。

九〇年代澳韓雙邊貿易總額從一九九〇年的卅五億美元激增到九七年的八十一億美元。受東亞金融危機的衝擊，九八年跌至七十四億美元，九九年更降至七十億美元。此期間，澳洲對韓貿易持續維持順差，從一九九〇年的十二億美元激增到九七年的卅六億美元，九八年澳洲得自南韓的貿易順差比前一年減少了一半，僅十八億美元，九九年略微回升，為廿二億美元。一九九九年南韓自澳洲進口了四十六億七千二百萬美元的產品，而對澳洲出口總額則為廿四億二千五百萬美元。一九九六—一九七年度澳洲對南韓的出口大宗依次為黃金（佔澳洲對南韓出口的百分之卅五）、煤（百分之十三點五）、不公開產品（很可能是鈾）、鐵礦與鋁。南韓一年所需鐵礦與煤近乎一半是來自澳洲。南韓是澳洲第三大肉類產品的出口市場。另一方面，澳洲自南韓進口的主要產品是於汽車，佔該年度南韓輸澳總額的百分之卅二，其次為電信產品與電腦。



總之，澳洲與南韓經貿互動的規模在量上比澳台經貿互動的規模為大。在雙邊貿易方面，以兩千年為例，澳台貿易總額（五十三億美元）約為澳韓貿易總額（八十五億美元）的百分之六十二。澳洲與兩國貿易皆享有順差，對南韓的貿易順差高達卅三億美元，而對台則有十七億美元的黑字。一九九七-一九九八年的東亞金融危機對澳洲與南韓、台灣的雙邊貿易造成相當大的負面衝擊。不過，在兩年連續下滑後，二千年已恢復到金融危機前的水平。韓澳雙邊貿易甚至出現歷史新高。其次就澳洲與台灣、南韓間的相互投資而言，迄二千年十二月底止，澳洲對台灣投資累計總額（九億美元）是澳洲對南韓投資累計總額（三億九千二百萬美元）的兩倍多。同期，南韓對澳洲投資累計總額（八億八千一百萬美元）是台灣對澳洲投資累計總額（一億一千二百萬美元）的八倍之多。南韓對澳洲投資累計總額是澳洲對南韓投資累計總額的兩倍多。澳洲對台灣投資累計總額是台灣對澳洲投資累計總額的九倍。值得注意的是，一九九七-一九九八年的東亞金融危機對澳台間的相互投資衝擊不大，但對澳韓間的相互投資則顯然是利多，尤其是澳洲對南韓投資激增，使澳洲對對南韓投資累計總額從一九九八年的三千七百萬美元竄升到二千年的三億九千二百萬美元。



# **A Comparative Study of Australia-Taiwan Relations and Australia-South Korean Relations since the 1990s**

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## **Introduction**

Historically Australia's perceptions of Asia were preoccupied with fear, mistrust and racism.<sup>1</sup> It took more than a quarter of century after the end of the World War II from 1945 to 1972<sup>2</sup> for Australians to gradually shake off their misperceptions and take a realistic policy toward Asia.<sup>3</sup> Economic motivation was the most important driving

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<sup>1</sup> Chapter 2 The Sources of Australian Foreign Policy, J. A. Camilleri, An Introduction to Australian Foreign Policy, Queensland: the Jacaranda Press, 1979.

<sup>2</sup> Though Australia decided to relax its immigration laws in 1966, the White Australia Policy was not formally abolished until January 1973 when Gough Whitlam came to power in 1972.

<sup>3</sup> Gary Smith, "Australia's Political Relationships with Asia," in Mark McGillivray and Gary Smith (eds) Australia and Asia, Melbourne: Oxford University Press, 1997, p. 103-104.



force behind this perception change and ensuing policy shift.<sup>4</sup> This rationale is particularly true in the Northeast Asia case.

## Australia Relations with Northeast Asia

Since the 1960s, economic relations have been the cornerstone of Australia's relations with Northeast Asian countries led by Japan whose trade relations with Australia have flourished ever since the late 1950s. As a result, Japan has replaced the United Kingdom as Australia's biggest export market since 1966 and Northeast Asia has superseded the European Community (EC) as the main region-wide destination of Australian exports since 1968.<sup>5</sup> Then, the deepening of European economic integration and the ensuing discriminatory measures against imported goods greatly hurt Australia's exports to the EC. Australia's exports of agricultural products to the EC particularly suffered from EC's Common Agriculture Policy (CAP). This was compounded by the United Kingdom's admission to the EC in 1973.<sup>6</sup> Against this background, Australia turned to Asia looking for export markets to make up its losses in Europe in the early 1970s. Subsequently, Australia's decision to open its market to the world in

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<sup>4</sup> "In the 1960s, Australia began to look more seriously towards the north for potential trading partners. Trade was the first step to developing a relationship with Asia. Direct investment follows trade and is followed in turn by immigration." in Michael S. Dobbs-Higginson, Asia Pacific: its Role in the New World Disorder, William Heinemann Australia, 1993, p. 216,

<sup>5</sup> Mark McGillivray, "Australia's Economic Ties with Asia," in McGillivray and Smith, p. 57.

<sup>6</sup> At the time, the United Kingdom was Australia's largest export market for agriculture products. Bong-yol Chung and Won-kun Kang, "Australia and Our Country's Strategy to Expanding Economic Cooperation," Economy of Industry (Korean; by Korea Development Bank), 1995, No. 32, pp. 13-14.

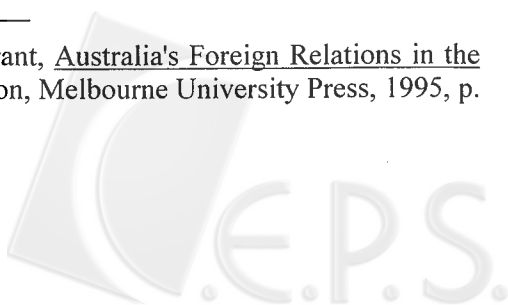
1983 and economic depression in the late 1980s brought Australia and Northeast Asia closer in the economic realm. At that time, Northeast Asia's economies were booming at the highest economic growth rate. In the context, with a view to economic ascendancy, Australian Prime Minister Paul Keating took a proactive policy of engaging Asia to revitalize its economy. This became an impetus to Australia's economic interactions with South Korea and Taiwan. Furthermore, the creation of the Asia-Pacific Economic Cooperation (APEC) forum and the trade liberalization of the Newly Industrialized Economies (NIEs) in the late 1980s also contributed to Canberra's increasing economic interactions with Seoul and Taipei. Consequently, up to the early 1990s, more than two-fifths of Australia's exports went to Northeast Asia and five out of Australia's ten top export markets were Northeast Asian countries.<sup>7</sup> What's worth mentioning is that Australia has enjoyed huge trade surplus with Asia since 1946. It is estimated that an average yearly surplus to Australia's current account was A\$3.37 billion in the period 1946-95 and A\$911 billion since 1986. In the case of Northeast Asia, Australia has enjoyed a trade surplus with almost all countries in the area, Japan inter alia. China is an exception. For example, according to Composition of Trade Australia 1996-97 (Department of Foreign Affairs and Trade), Australia had a trade surplus with Japan (A\$5.1 billion), Hong Kong (A\$2.2 billion), South Korea (A\$4.6 billion) and Taiwan (A\$1 billion). However, Australia had a trade deficit of A\$621 million with China in the same period.<sup>8</sup>

The primary purpose of this paper is to examine Australia's economic relations with Northeast Asia in the 1990s by conducting a comparative study of Australia's economic relations with the Republic

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<sup>7</sup> Gareth Evans and Bruce Grant, Australia's Foreign Relations in the World of the 1990s, 2nd edition, Melbourne University Press, 1995, p. 241.

<sup>8</sup> McGillivray, pp. 60-61.



of China on Taiwan and the Republic of Korea (ROK) through their bilateral trade and mutual investment.

The reasons why I have chosen the two countries are two folds. In terms of their economic development and current level of industrialization, Taiwan and South Korea have many similarities, likewise their economic relations with Australia are very similar. Both Taiwan and the ROK are export-oriented economies and have become NIEs in the 1980s. The traditional pattern of Australia's economic relations with the two countries is that Australia serves as a supplier of natural resources, high-tech products and capital in exchange for Taiwan and the ROK's manufactured goods. As a result, Taiwan and South Korea became Australia's fastest growing export market in Northeast Asia between the late 1980s and the first half of 1990s.<sup>9</sup> As for capital flow between Australia and the two countries, before the late 1980s, it was only one way from Australia to South Korea and Taiwan. However, capital flow has changed to become two-way since the late 1980s, because Taiwan and South Korea transformed from pure capital-absorbing countries to capital-exporting nations.

## Bilateral Trade

Both Taiwan and South Korea possess few natural resources and depend heavily on imported resources to keep their economies alive, while Australia is not only rich in a variety of natural resources and mineral products but also produces high-tech products. So, they are natural trading partners. Australia can provide the two countries with natural resources and high-tech products in exchange for their cheap manufactured goods.

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<sup>9</sup> Australia and Northeast Asia in the 1990s: Accelerating Change, East Asia Analytical Unit, Department of Foreign Affairs and Trade, Commonwealth of Australia, 1992, p. 11.



### Taiwan

Since the early 1990s economic interaction between Australia and Taiwan has flourished, with trade volume rising uninterruptedly from US\$2.8 billion in 1990 to a peak of US\$5 billion with a trade balance of US\$1.3 billion favorable to Australia in 1997 (Table I). As a result, Australia was Taiwan's seventh largest import source and 13th largest export market, whereas Taiwan was Australia's fifth largest export market and eighth largest import source.<sup>10</sup> Nevertheless, total two-way trade volume dropped to US\$4.5 billion in 1998 due to fallout from the regional financial crisis and picked up again in the following year (US\$4.8 billion).

According to the Composition of Trade Australia 1996-97, Australia's total export to Taiwan was around A\$ 3.6 billion. Coal (16% of Australia's total export to Taiwan), confidential items (possibly uranium), crude oil, aluminum and wool were five leading items that Australia exported to Taiwan. On the other hand, Australia imported Taiwanese commodities to the value of A\$2.5 billion in the same period. Among those commodities, computers and office machines and parts were the top two items. Altogether they accounted for one fourth of Australia's total imports from Taiwan. In addition, Australia is also Taiwan's major supplier of agricultural, dairy and mineral products in particular. In 1998, Australia was the biggest supplier of Taiwan's imported ores and concentrates (58 percent of Taiwan's total import), coal (47 percent), and gold (25 percent). Currently, Australia is Taiwan business giant Formosa Plastics Group's biggest supplier of coal and salt for industry use. When the construction of company's Sixth Naphtha Cracker Plant is completed, it will need more coal for its petro-chemical plant and electricity power plant. The demand is estimated at 15 million tons. While visiting Taiwan in September 1999, Former Australian Prime Minister

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<sup>10</sup> China News, Special Supplement, January 26, 1999, p. 1.



Paul Keating paid a visit to Yung-ching Wang who went to Australia looking for coal in 1997. Keating urged Wang to expand his group's investment in Australia.<sup>11</sup>

The biggest single line of Aussie-Taiwan trade is coal which is worth more than A\$500 million a year. Imported coal is used to feed Taiwan's steel mills and electric power stations. China Steel Corp plant is the biggest buyer. In addition, Taiwan was Australia's third largest wool market in 1998/99 after China and Italy, taking more than A\$200 million worth of the product.<sup>12</sup> Furthermore, Australia has been a major source of Taiwan's imports of gold bars and coins. For example, Taiwan's imports of gold were 4.519 tons in October 1998, Australia's share was 1.834 tons, this made the country rank number one among suppliers.<sup>13</sup>

**TABLE I Taiwan's Trade with Australia**

(in U.S. million dollars)

Year	Exports	Imports	Total	Balance
1990	1,279.0	1,659.0	2,938.0	-380.0
1991	1,353.0	2,018.0	3,371.0	-664.0
1992	1,428.0	2,055.5	3,483.5	-627.5
1993	1,449.0	2,096.8	3,545.8	-647.8
1994	1,632.0	2,224.9	3,856.9	-592.9
1995	1,755.0	2,575.2	4,330.2	-819.2
1996	1,836.0	2,845.0	4,681.0	-1,008.0
1997	1,872.0	3,217.3	5,089.3	-1,344.3
1998	1,631.0	2,912.9	4,543.9	-1,281.9
1999	1,847.2	2,957.0	4,804.2	-1,109.8
2000	1,827.9	3,501.4	5,329.3	-1,773.5

<sup>11</sup> *The Commercial Times*, September 17, 1999, p. 4.

<sup>12</sup> *Taiwan News*, September 23, 1999, p. 15.

<sup>13</sup> *Taiwan News*, November 9, 1999, p. 13.

SOURCES: Monthly Statistics of Exports and Imports Taiwan Area, the Republic of China, The Department of Statistics, Ministry of Finance, December 2000. <http://cus.trade.gov.tw/>

## South Korea

Bilateral Trade between Australia and South Korea increased dramatically during the late 1970s. By the mid 1980s, South Korea thus emerged as Australia's fourth largest export market and became Australia's second-largest market in 1996. The total trade volume between the two countries increased from US\$3.5 billion in 1990 to US\$8.1 billion in 1997. Australia's surplus rose from US\$1.2 billion to US\$3.6 billion in the same period. Nonetheless, Australia's exports to South Korea have been ravaged by the country's economic turmoil. According to Australia's Department of Trade, the value of merchandise sold to South Korea slumped 9.6 percent in the second half of 1997 compared with July-December 1996.<sup>14</sup> In 1997, the two-way trade volume reached record high of US\$8.1 billion with South Korea having a trade deficit of US\$3.6 billion (Table II). However, the trade deficit sharply reduced to US\$1.8 billion in 1998 mainly because South Korea's import from Australia dropped about 20 percent.

According to Composition of Trade Australia 1996-97, Australia's export to South Korea totaled A\$ 7.1 billion. Gold (non-monetary) ranked first among the exporting items. It constituted 35 percent of Australia's total export to the ROK, followed by coal (13.5 percent), confidential items (possibly uranium), iron ore, and aluminum. Conversely, Australia imported South Korean commodities of A\$2.5 billion in the same period. Among those commodities, cars occupied 32 percent of South Korea's total export to Australia, followed by telecommunications equipment (6%) and computers

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<sup>14</sup> The Australian, January 6, 1998, p. 1.

(5.6%). Altogether they accounted for 43 percent of Australia's total imports from South Korea. What is more, Australia supplied almost half of South Korea's iron ore imports, 40 percent of its imported coking coal, 50 percent of its steaming coal needs, brown coal briquettes for the domestic heating market. In addition, South Korea was Australia's third largest market for meat. In 2000, with a growth rate of 268.7%, petroleum oils (US\$1.05 billion, 17% of total import from Australia) emerged as the ROK's top-ten items imported from Australia, followed by gold (US\$1.02 billion), coal (US\$811 million), aluminum (US\$347 million), iron ore (non-agglomerated; US\$314 million), reciprocating piston, cane sugar, wheat, iron ore (agglomerated) and zinc ore.<sup>15</sup> As a consequence, Australia is South Korea's fifth largest supplier and the trade balance has been heavily in Australia's favor since 1989.

Additionally, over the past decade, South Korea was the fastest growing tourist market with more than 260,000 visitors (a rise of more than 16 percent on the previous 12 months) in 1997. South Koreans made up about 6 percent of the Australia's lucrative international tourism market. It is estimated South Koreans spent almost A\$2000 each during their visit to Australia. South Korea had become the fifth-largest tourism market (behind New Zealand, Japan, Britain and the United States) for Australia before the financial crisis burst out in October 1997. However, for Australia the heaviest impact of the meltdown of the Asian economic crisis came from South Korea. The South Korean economic crisis was estimated to make Australia lose about half a billion Australian dollars from its export earnings next year. Overall, Australia had a 9 percent decline in tourist numbers in 1998 because of the Asian economic crisis, a reduction in export earnings of about A\$1.5 billion and a loss of 24,000 jobs.<sup>16</sup> The

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<sup>15</sup> <http://www.austrade.or.kr/statistics/statistics%20slides1.f.../slide0129.ht>

<sup>16</sup> The Australian, January 9, 1998, p.2.

Australian Bureau of Statistics released preliminary December 1997 data showing falls of almost 25 percent in visitors from Southeast Asia and Northeast Asia, led by a 66 percent crash in South Korean tourism. It is said that Australia lost A\$3.5 billion in 1998. The tourism Council of Australia estimated the downturn in December 1997 would cost the country A\$183 million. The South Korean downturn alone would cost \$A 600 million if it continued at the high December level during 1998.<sup>17</sup>

Both Qantas and Ansett suspended services to South Korea after passenger demand plummeted in December 1997, with Qantas recording a 65 percent drop and Ansett a 50 percent fall. In February 1998, Qantas North Asia general manager Alan Loke pointed out that the company lost A\$ 45 million on its South Korean route in the past three years. If Qantas had not suspended flights, it would have suffered an additional A\$20 million loss in 1998.<sup>18</sup> Ansett claimed that the South Korean government reaction to its economic crisis including a ban on holiday advertisements by international airlines was a major reason why the company decided to suspend Australia-South Korea services. Ansett was the third airline to do so. Before Ansett, Qantas and Air New Zealand had suspended their services to South Korea. Currently, only Korean Air and Asiana have flights between Australia and South Korea.<sup>19</sup>

**TABLE II South Korea's Trade with Australia**

(in U.S. million dollars)

Year	Exports	Imports	Total	Balance
1989	1,005	2,243	3,248	-1,238
1990	956	2,589	3,545	-1,633

<sup>17</sup> The Australian, February 6, 1998, p. 4.

<sup>18</sup> The Australian, February 6, 1998, p. 36.

<sup>19</sup> The Australian, January 7, 1998, p. 2.

1991	990	3,009	3,999	-2,019
1992	1,094	3,085	4,179	-1,991
1993	1,184	3,346	4,530	-2,162
1994	1,231	3,782	5,013	-2,551
1995	1,569	4,897	5,466	-3,328
1996	1,807	6,271	8,078	-4,464
1997	2,210	5,891	8,101	-3,681
1998	2,791	4,614	7,405	-1,823
1999	2,426	4,672	7,098	-2,246
2000	2,606	5,959	8,565	-3,353

SOURCES: 1989-91: Bong-yol Chung and Won-kun Kang, p. 20.

1992-98: Monthly Statistics of Korea, National Statistical Office, Republic of Korea, December, 2000.

2000: <http://www.austrade.or.kr/statistics/statistics%20slides1.f.../slide0128.ht>

## Mutual Direct Investment

By contrast, as of December 31, 1998, Australia's accumulated investment in Taiwan is ten times more than the reverse. According to the Taiwan's figures on approved foreign investment, Australian enterprises have invested US\$854 million in Taiwan up to the end of 1999 (Table III), 2.4 percent of Taiwan's accumulated total inbound FDI, making the country Taiwan's sixth largest foreign investors, next to Japan, the United States, Singapore, Netherlands and Britain. Before 1987, the total amount of Australia's investment in Taiwan was only US\$122 million. Nevertheless, since the early 1990s its investment has increased by leaps and bounds. As a result, in terms of yearly investment, the three years (1997, 1994 and 1993) that Australians invested most in Taiwan all appeared in the 1990s. 1997 is the year in which Australians invested most in Taiwan. In that year alone, Australians poured US\$596 million into Taiwan. Basic metals and metal products was the sector receiving the lion's share (US\$582

million) of total investment.<sup>20</sup> In 1998, total investment from Australia was US\$17 million. Trade (US\$6 million) as well as banking and insurance (US\$19.5 million) were the two sectors received most of the Australian investment in the year. In 1999, Australia's total investment in Taiwan was US\$39 million, 48 percent of that amount went to trade (US\$19 million), while 43 percent (US\$17 million) to services sector.

On the other hand, up to December 1999, Taiwan's accumulated investment in Australia totaled US\$102 million. Most of Taiwanese investment went to agricultural, fishing and mining sectors. For example, in 1996, about 54 percent of the yearly Taiwanese investment (US\$14.7 million) injected into mining industry in Australia, followed by agriculture and forestry (US\$2.6 million). Likewise, more than three fourths of total Taiwanese investment (US\$23 million) in 1997 zeroed in on mining industry (US\$17 million) in Australia. In 1998, Taiwanese businessmen invested US\$2.2 million in Australia. Over sixty percent (US\$ 1.3 million) of the year's investment went to agriculture and forestry, followed by transport equipment (US\$0.5 million) and chemicals (US\$0.35). Major examples are Taiwan Salt Corporation's investment in West Australia to produce salt for industrial usage; Taiwan Power Company's investment in coal mining in New South Wales and Acer, one of the Taiwanese Computer giants, in communication, soft and multimedia industries.<sup>21</sup> In 1999, Taiwan's investment in Australia totaled US\$21 million, 90 percent of which went to electronic and electric appliance.

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<sup>20</sup> Statistics on Overseas Chinese & Foreign Investment, Investment Commission, Ministry of Economic Affairs, Republic of China, December 1997, p. 39.

<sup>21</sup> The China Times, May 4, 1999, p. 6.

Though Taiwan's Investment in Australia is not impressive, Taiwan is viewed by Australia an important potential source of inbound capital. Taiwan is the second largest source of business migrants to Australia and the largest source of people entering Australia under the investment-linked migration program. According to the Australian Commerce and Industry Office's survey, each Taiwanese migrant creates four jobs.<sup>22</sup>

By contrast, as of December 31, 1998, South Korea's accumulated investment in Australia was ten times more than vice versa. Based on the outstanding invested as of the end 1998, the ROK's accumulated investment in Australia reached US\$376 million, while, in terms of total invested cases, Australia accumulated investment in South Korea totaled US\$31 million. Nevertheless, Village Road Show (VRS) poured US\$250 million into South Korea's information industry (Centium City Group) in 1999. Hence, by the end of 2000 there were accumulatively 82 permitted cases of investment from Australia to South Korea and Australia total investment in the ROK shot up to US\$392 million. The gap between South Korea's accumulated investment in Australia (214 cases totaled US\$881 million) and Australia's investment in South Korea thus narrowed down to 2.2 times.<sup>23</sup>

According to Overseas Direct Investment Statistics Yearbook 1998 published by the Korea Federation of Banks, outstanding of South Korea's investment in Australia as of the end of 1997 totaled US\$279 million of 125 cases invested (if permitted cases, there were 137 cases totaled US\$441 million). Nearly half of the investment went to mining industry (20 invested cases, US\$138 million). Trade ranked

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<sup>22</sup> Total migration from Taiwan to Australia was around 1,700 in 1996 and 1,360 in 1998. China News, Special Supplement, January 26, 1999, p. 1.

<sup>23</sup> <http://www.mof.../1ba87ba14271583cc9256a530021383a?OpenDocumen>

second. Altogether the sector had 28 invested cases worth of US\$66 million. It was followed by manufacturing which comprised 34 invested cases valued US\$25 million. Among the manufacturing, textile and clothes (5 cases totaled US\$7.65 million) as well as food and beverages (10 cases totaled US\$7.61 million) were the two industries which received most South Korean investment.

**TABLE III Mutual Direct Investment (Australia & Taiwan)**  
(in U.S. thousand dollars)

Country Year	Australia's Direct Investment in Taiwan		Taiwan's Direct Investment in Australia	
	Cases	Amount	Cases	Amount
1952-1988	18	123,233	4	7,532
1989	5	6,881	---	---
1990	1	810	1	1,397
1991	3	5,372	1	2,440
1992	3	6,362	5	5,426
1993	4	19,620	1	63
1994	3	24,532	3	23,598
1995	2	4,505	2	314
1996	4	9,594	3	14,792
1997	3	596,197	6	23,200
1998	13	17,129	4	2,292
1999	20	39,890	3	21,004
2000	4	46,090	6	10,429
Total	83	900,215	39	112,487

SOURCES: Statistics on Overseas Chinese & Foreign Investment, Investment Commission, Ministry of Economic Affairs, Republic of China, December 2000.

Statistics on Outward Investment, Investment Commission, Ministry of Economic Affairs, Republic of China, December 2000.



**TABLE IV Mutual Direct Investment (Australia & South Korea)**  
(in U.S. thousand dollars)

Country Year	Australia's Direct Investment in South Korea		Country Year	South Korea's Direct Investment in Australia	
	Cases	Amount		Cases	Amount
1972-81	3	2,131	--	--	--
1982-86	4	5,308	1968-80	6	2,784
1987-88	2	154	1985	1	13,455
1989	2	548	1990	7	20,798
1991	1	508	1991	8	55,782
1992	1	72	1992	3	103,919
1993	5	10,281	1992	7	27,279
1994	2	500	1994	18	33,377
1995	12	6,852	1995	20	59,016
1996	3	3,405	1996	21	51,028
1997	8	2,304	1997	32	58,822
1998	5	1,537	1998	14	99,682
1999	3	1,146	1999	11	24,942
Total	51	34,746	Total	148	550,884

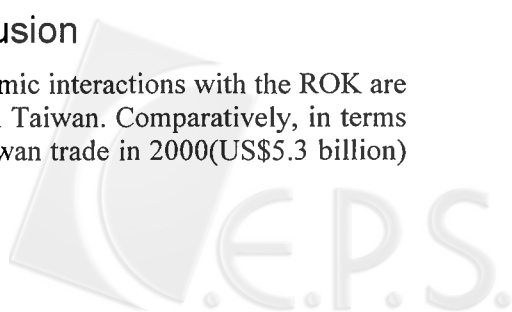
Notes: As of December 31, 1998, in terms of total invested cases, Australia accumulated investment in South Korea totaled US\$31 million.(p.43)

SOURCES: Trends in International Investment and Technology Inducement, Economic Cooperation Bureau, Ministry of Finance and Economy, Republic of Korea, January 31, 1999.

SOURCES: Overseas Direct Investment Statistics Yearbook, The Export-Import Bank of Korea, 2000.

## Conclusion

By and large, Australia's economic interactions with the ROK are quantitatively larger than those with Taiwan. Comparatively, in terms of total trade volume, Australia-Taiwan trade in 2000(US\$5.3 billion)



is approximately 62 percent of Australia-South Korea trade (US\$8.5 billion). Australia enjoys trade surplus with both Taiwan (US\$1.7 billion) and the ROK (US\$3.3 billion). As for trade composition, though the leading commodities that Australia exports to Taiwan and South Korea are mainly minerals, South Korea imports more petroleum oil and gold, while Taiwan more coal. On the other hand, the leading item that South Korea exported to Australia was cars, while from Taiwan to Australia it was computers.

Regarding mutual investment, the total amount of Taiwan's investment in Australia on the accumulative basis up to the end of December 2000 (US\$112 million) is far behind that of South Korea (US\$801 million) in the same period. Nevertheless, till the end of December 2000 Australia's investment in Taiwan (US\$900 million) is more than two times larger than its investment in South Korea (US\$392 million) in the same period.

Asia's financial crisis in 1997-98 hurt Australia's economic interactions with both Taiwan and South Korea, the latter in particular. Australia's trade with both countries dropped greatly from its peaks. In the Taiwan case, compared with the previous year, total trade volume in 1998 shrank about US\$546 million; while South Korea shrank US\$696 million. As a result, Australia lost approximately US\$1.9 billion of its trade surplus altogether in 1998. In addition, investment received by Australia from the two countries also reduced. In the first half of 1999, Australia only got around US\$8 million from South Korea, it will need US\$124 million to make it balance with total amount Australia received in 1998. Nevertheless, Australia's total trade volume with the two countries backed to normal in 2000 after two-year's consecutive drop. Australia-South Korea total trade volume even was at all time high in the year. On the other hand, the levels of mutual investment between Australia and Taiwan has not had a big fluctuation during and after the 1997-98 Asian financial crisis, whereas Australia-South Korea's mutual investment initially suffered during the financial crisis, particularly investment from South

Korea to Australia, but both sides greatly increased their investment to each other in 2000, Australia's investment in South Korea inter alia. All in all, in a medium and long term view, Australia's economic relations with the two countries are expected to have a bright future in terms of strong economic complementarity.

