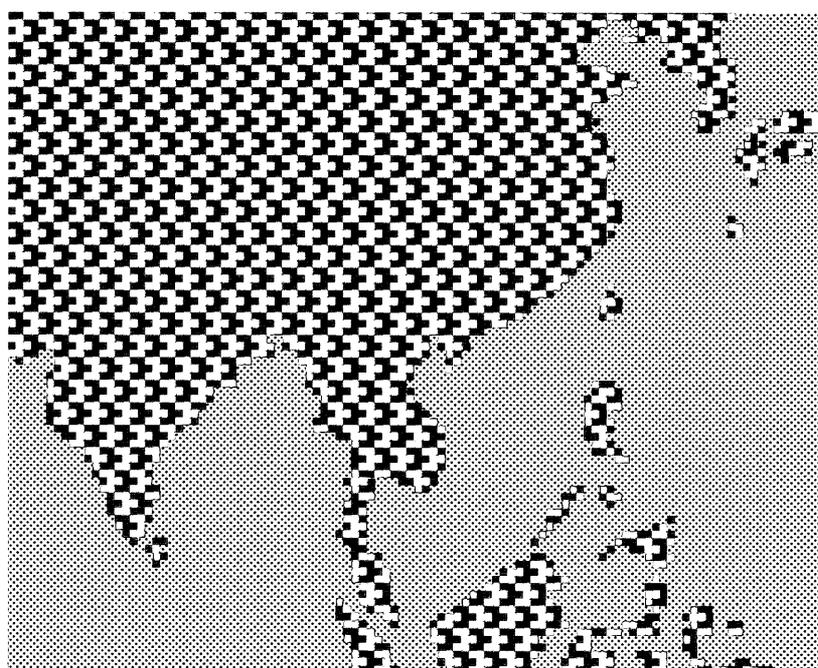


IDE Spot Survey

***The Automotive Industry in Asia:  
The Great Leap Forward?***

October 1995



**INSTITUTE OF DEVELOPING ECONOMIES  
TOKYO**

*The aim of the Institute of Developing Economies (Ajia Keizai Kenkyusho) is to conduct basic and comprehensive research on economic and related affairs in Asia and other areas which are on the road to development. It, thereby, contributes to the promotion of economic cooperation and the improvement of trade relations between Japan and these areas and, ultimately, toward the prosperity and welfare of developing countries.*

*The Institute was founded in December 1958 as a nonprofit organization. In July 1960, it was recognized by law as a semi-governmental body.*

*As of October 1, 1995, the number of staff members was 254, of whom about two-thirds are engaged in research (including 34 stationed overseas), with the rest employed as librarians, statisticians, or secretarial personnel.*

*The budget of the Institute for the fiscal year 1995/96 is estimated at US\$53.8 million of which 90 percent is subsidized by the government.*

*IDE Spot Survey intends to respond to public demand by offering prompt and proper analyses of emerging problems in developing countries. Previous issues include Investment Risk in Post-Deng China, March 1995, and Dynamic Vietnam, June 1995.*

42 Ichigaya-Hommura-cho, Shinjuku-ku, Tokyo  
162, Japan  
Telephone: 81-3-3353-4231  
Fax: 81-3-3226-8475  
Cable: AJIKEN TOKYO  
Telex: AJIKEN J32473

IDE Spot Survey

*The Automotive Industry in Asia:  
The Great Leap Forward?*

October 1995

**INSTITUTE OF DEVELOPING ECONOMIES  
TOKYO**

## ***Contributors***

- Tomoo MARUKAWA      Researcher, Economic Development Research Department  
(Chapter 1, China)
- Junko MIZUNO      Assistant Senior Researcher, Current Affairs Department  
(Chapter 2, Korea)
- Shigeki HIGASHI      Researcher, Current Affairs Department (Chapter 3, Thailand)
- Momoko KAWAKAMI      Research Fellow, Taipei (Chapter 4, Taiwan and Malaysia)
- Mitsuru TAKAHASHI      Professor, Tokyo University (Chapter 5, India)

The views expressed in this paper are those of the authors and do not necessarily coincide with those of the Institute of Developing Economies. No part of this book may be cited or reprinted by any means without written permission from the Institute. Exclusive right to publish in Japan by the Institute of Developing Economies.

# Contents

## Executive Summary

- I **China's Automotive Industry:  
Heading for the 21st Century .....1**
  
- II **The Present Condition and Problems of the Automotive  
Industry in the Republic of Korea .....10**
  
- III **The Automotive Industry in Thailand:  
From Protective Promotion to Liberalization .....16**
  
- IV **The Automotive Industry in Taiwan and Malaysia:  
The Unique Growth Mechanism .....26**
  
- V **The Automotive Industry in India:  
Developing Motorization .....33**