

Summary: The Economies of East Asia

China's Economy

Today, the Communist government of China controls most of the country's economy. It owns the banks and large industries. The government tells workers how many goods they should produce and sets prices on those goods.

China is now one of the world's largest producers of cotton cloth. It produces much of the world's tungsten and antimony, two kinds of metal. Other important industries are the production of machines, fertilizers, and clothing.

Many people who live in the country work as farmers. They use old-fashioned methods, such as plowing with oxen. China produces most of the world's rice. Other crops are wheat, corn, soybeans, peanuts, tobacco, and cotton.

Other East Asian Economies

Taiwan has a market economy. It depends largely on manufacturing and foreign trade. Taiwan has invested billions of dollars to help the Chinese economy grow.

As with China, the government of North Korea strictly controls its economy. Important industries are iron, steel, machinery, chemical, and textile production. Many farmers in North Korea work on large cooperatives, where hundreds of families share the work. The farms have become more productive as modern techniques have been put in place. For most of the 20th century, North Korea traded only with other Communist countries. Since the collapse of the Soviet Union, North Korea has traded with other countries.

Before the 1960s, South Korea was a poor country of farmers. Since then, the government has helped the textile industry grow. Many factories produce electronic equipment, small appliances, and automobiles. Today, the economy of South Korea is very strong.

The government of Japan advises businesses in trade, investment, banking, and production. Unlike the Chinese and North Korean governments, it does not control the economy. Japan has little farmland and few natural resources. It must import resources for manufacturing, its most important industry. Skilled, educated workers are important to the economy. Japan produces ships, cars, cameras, and electronics.

Before You Read

Find and underline each vocabulary word.

textile *noun*, cloth manufactured by weaving or knitting

cooperative *noun*, a large farm where many families share the farming work

After You Read

REVIEW What are some of China's major industries? Highlight the sentences that tell what China produces.

REVIEW How have the governments of South Korea and Japan helped their economies? Circle the sentences that answer the question.