



**HYUNDAI**

CARS THAT MAKE SENSE

**Flower show opens in HK**

HONG KONG, Mar 15: The 10th Hong Kong flower show jointly organised by the urban council and regional council opened in Victoria Park here today with the display of flowers from overseas and local flower clubs, reports Xinhua.

The theme of the ten-day flower show is 'blooms in spring', and in keeping with it, the show will be enhanced by massive colourful displays of bromeliads and peonies.

One of the striking features of the show is China attraction and there is a specially designed Chinese garden inside the show.

In the middle of the garden, there is sculpture of 'peony fairy' with peonies surrounding it. The peony display is managed by Peony's hometown, Luoyang City, in central China.

An official in charge of the peony show said that a total of 12 sorts of peonies are on display.

In addition, flowers from Shandong, Jiangsu and Zhejiang provinces are also presented in the garden with the displays of South China designated flower patterns.

During the show, flora arrangement demonstrations and seminars on Chinese medicinal plants will be held.

Hong Kong's first flower show was held in 1907. Last year, over 400,000 people visited the 9th annual grand event.

**Japan pledges \$526m loans to Brazil**

TOKYO, Mar 15: Prime Minister Ryutaro Hashimoto told Brazilian President Fernando Henrique Cardoso on Thursday that Japan will lend his nation \$5.2 billion yen (\$26 billion dollars) to finance four environment-related projects, reports AP.

Hashimoto added that Japan also would study the possibility of lending 200 million dollars through the Export-Import Bank of Japan to help finance a Japan-Brazilian aluminum project near the mouth of the Amazon River, said a Foreign Ministry official speaking on condition of anonymity.

The project originally was planned in 1976 and suspended in 1986, the official said.

The pledge followed Wednesday's signing of contracts for 1.09 billion dollars in loans by the Export-Import Bank to help finance Brazil's construction of roads and railway networks and modernisation of production equipment.

er, addressing Japan's parliament, Cardoso said Brazil and Japan need to strengthen their relations further and should cooperate to help protect common benefits such as peace, security, freedom of economy, environment and human rights.

Cardoso arrived Tuesday for a four-day visit to Japan and attended a banquet given by Emperor Akihito and Empress Michiko at the Imperial Palace on Wednesday.

A Foreign Ministry statement that the loans pledged by Hashimoto would be for projects including river improvement and construction of drainage facilities in Santa Catarina state and the construction of drainage and disposal facilities for chemical wastes in Parana state.

**Japan pledges \$526m loans to Brazil**

**Meagre purchasing power of Chinese wage-earners being undermined**

BEIJING, Mar 15: The meagre purchasing power of Chinese wage-earners is being undermined by poor protection of their consumer rights, according to a study quoted in the China Daily today — international consumer rights day, reports Reuter.

Those consumers surveyed lost on average 25.85 yuan (3 US dollars) a month in 1995 due to shoddy quality and other problems, the study by Beijing's Central Viewer Survey and Consulting Centre said.

The survey polled 5,100 families in 35 cities, the paper said. It gave no methodological details. The average urban salary in 1995 was 423 yuan (\$1 US dollars) per month.

China promulgated its first law on consumers' rights and interests two years ago but 30 per cent of those surveyed were ignorant of its contents, the survey said.

More significant was people's meekness in accepting bad services without complaining. More than 90 per cent of those surveyed said they would suffer silently rather than stand up for their rights.

This was particularly the case among the elderly and people with higher levels of education, the survey showed.

Common complaints included overcharging, short measures, poor quality, fake goods and misleading advertising and publicity.

**Pacific region threatens to stop paying tax to Moscow**

VLADIVOSTOK, Russia, Mar 15: A Far Eastern region threatened Thursday to stop paying federal taxes in another sign of mounting election year pressure on President Boris Yeltsin to pay off huge government debts, reports AP.

Yeltsin, speaking in Moscow, said the government was scrambling to make the payments and reiterated a campaign pledge that all debts would be paid by the end of March.

The legislature of the Maritime territory, which includes the Pacific port of Vladivostok, sent a letter to Yeltsin and parliament saying all payments to Moscow would stop in April if the government hasn't repaid debts to the region totalling 1.8 trillion rubles (dhs 375 million).

Noting several protests in the region in recent days, the regional Duma threatened to call a general strike, by April 10 if the money hasn't been paid.

"As a result of cutting off houses from electricity and heat supplies caused by mutual non payments, as a result of four to five months' wage arrears and non payment of state allowances for children, citizens of the Maritime region have become cave dwellers," the legislature's letter said.

"They have no means of subsistence and their children faint from hunger... Crowds of desperate people daily seal off streets and railways," it said.

Workers at two military plants in the city of Bolshoi Kamen east of Vladivostok blocked the Trans Siberian railway on Tuesday, demanding the government pay them wages they haven't received since October.

The previous day, a regional official said authorities had temporarily cut off power to a nearby oil factories because of a fuel shortage, which it blamed largely on Moscow's non payments.

The region says much of the Russian government's debt is about one trillion rubles (dhs 200 million) in coal and fuel subsidies, which go to cover the difference in the high cost

**Report says 5.3m people in US in dire need of housing**

WASHINGTON, Mar 15: The one-two punch of declining incomes and shrinking housing supplies forced a record 5.3 million poor families seeking federal help to spend too much on rent or live in substandard conditions in 1995, Housing Secretary Henry Cisneros said Thursday, reports AP.

The Department of Housing and Urban Development's biannual report on "worst case" housing needs showed that the number of cases grew by 1.5 million between 1978 and 1993, the last year with available figures.

Cisneros said the situation is likely to worsen because waiting lists have grown since 1993. Congress has not earmarked more money for rental assistance and affordable housing supplies continue to shrink.

"If present trends continue, the future is a very grim one-four a whole host of families," he said at a news conference. "This is a circumstance where

**Staggering political crisis ADP utilisation will hardly be satisfactory: MCCI**

The Metropolitan Chamber of Commerce and Industry appears doubtful about 'satisfactory' development expenditure for the second successive year, amid a "disturbing socio-political" situation, reports UNB.

Though data for the first two quarters of the current fiscal year are yet to be available, the MCCI said, indications are that performance of the annual development programme (ADP) utilization may not be significantly better compared to the same period of last fiscal year.

Quoting available statistics, the country's leading chamber said only 33 per cent of the total size of the ADP was actually realized in the first two quarters (July-September and October-December) of fiscal 1994-95.

It is unlikely that the utilization rate was speeded up in the last two quarters (January-March and April-June) in view of the disturbing socio-political situation prevailing in the country since the beginning of

1995, the chamber said.

"ADP utilization can hardly be expected to be satisfactory unless the staggering political crisis that has been crippling the economy is resolved forthwith," the MCCI said in its latest publication which was available yesterday.

The country, indeed, has been showing 'weak performance' in realizing the ADP targets in the recent years which, it said, implies that the actual size of the ADP has been lower than what is expected according to budget estimates.

"In fact, during all these five years of the present decade, actual development expenditure fell considerably below the ADP target," the chamber said.

The realized ADP was 93 per cent of the budgeted development plan in 1990-91, 80 per cent in 1991-92, 76 per cent in 1992-93 and 87 per cent in 1993-94. Improvements have occurred in the last of these years, but ADP utilization fell significantly, MCCI pointed out.

It observed that the shrinkage of the size of the ADP as well as its poor utilization rate have in fact contributed to the inadequate growth performance of the economy.

The Metropolitan Chamber also noted with frustration that the share of ADP in government's total expenditure as well as in GDP has gone down considerably during the period between the early 80s and mid-90s.

It said the share of development spending in GDP declined to an average of seven per cent in the first half of the 90s from around nine per cent in the early 80s. In parallel, the share of revenue expenditure in GDP increased from around six per cent to nine per cent during the same period.

The chamber felt that a high and consistently growing level of public development expenditure is crucial for expanding private productive capacity and sustaining private sector efficiency.

**Wealth gap between regions in China threatens economic rise**

BEIJING, Mar 15: The widening wealth gap between China's booming coastal regions and its impoverished hinterland threatens to derail the meteoric economic rise of the world's most populous nation, reports AFP.

"With farmers in the eastern coastal regions earning 15 times more than their counterparts in western China, delegates at the ongoing national people's congress (NPC) have been scrambling for ways to close the chasm, the China Daily reported Friday.

The imbalance between eastern and mid-western regions of China has been one of the main topics at his year's NPC session," said Abhat Abdurishit, governor of northwestern China's Xinjiang Uygur autonomous region.

He outlined ambitious plans to boost the excavation of the region's abundant oil, natural gas and mineral supplies and encourage cross-border trade with the former Soviet states to the north.

The governor of neighbouring Qinghai province announced similar plans to exploit hydraulic power and huge salt lakes of potash which could satisfy 97 per cent of China's fertiliser requirements.

"China's development must rely on domestic resources in the same way that the United States developed its western parts and Japan developed Hokkaido," governor Tian Chengping told the Xinhua news agency.

Li Chunting, governor of coastal Shandong province, echoed the concern by warning that "only when the economies of the central and western parts are developed can the whole country's comprehensive national strength be beefed up with staying power."

In the five years to 1995, China's gross national product rose 11.7 per cent, but the rise was an impressive 16 per cent in the east and only nine per cent in the hinterland.

The east, which occupies only 15 per cent of China's territory, attracted 67.4 per cent of the fixed investment which poured in during that period, while central and western regions were left with the vast majority of China's 65 million impoverished people who do not have enough to eat or wear for up to six months of the year.

Growing resentment against the richer east, where portable telephones, exotic foods and smart cars are increasingly

common, has sparked fears of rebellion against the nominally communist government.

With the most impoverished regions — such as Tibet, Xinjiang and Inner Mongolia — populated with ethnic minorities who have a traditional antagonism toward their Chinese rulers, the situation has grown increasingly tense.

Reports from both Tibet and Xinjiang say military presence has been boosted in recent months.

Xinhua announced a five-point government plan to narrow regional disparity, but the blueprint, which called for more infrastructure investment, a redistribution of industries into the west and higher purchase prices for natural resources, offered no new solutions.

An expert on China's east-west gap warned Wednesday that a two-year overhaul of China's tax regime which was aimed at stopping the wealth gap widening had in fact backfired and left impoverished regions worse off than before.

Hu Angang said the government should put its pledges to narrow regional disparities into action during the ninth five-year plan (1996-2000).

**Kohl warns of consequences if EU Monetary Union delayed**

MUNICH, Mar 15: Chancellor Helmut Kohl on Thursday warned of "unforeseeable economic and political" consequences for Europe in the next century if the European Union's planned currency union is postponed, reports AP.

Most of the EU's 15 countries, including Germany, at the moment do not meet economic and fiscal criteria set out by the Maastricht Treaty for joining a monetary union on Jan 1, 1999.

Skepticism that the deadline can be kept is growing.

But Kohl, possibly the most ardent advocate of currency union, told a meeting of German industrialists that Europe cannot afford a delay.

Kohl said monetary union would be an "especially important step" toward European unity.

"A postponement of currency (union) would have unforeseeable economic and political consequences for Germany and Europe in the 21st century," said Kohl.

He did not elaborate, but he has previously said Europeans unity is a matter of war and peace.

At the same time, however, Kohl on Thursday ruled out softening criteria for membership in the monetary union, saying that could result in a weak single EU currency.

Kohl also spoke about the country's highest postwar unemployment rate — 11.1 per cent.

"Fighting unemployment and creating new jobs is challenge No. 1," he said.

Kohl appealed to industrial labour union officials and politicians to conduct a "pragmatic and honest" discussion over how to improve the economy and Germany's place in the global market.



A saleswoman in Beijing on Thursday waits for customers at a streetside stall selling computers which feature Hong Kong movie star Jackie Chan on the cover. Chan, known for his Kung Fu movies with the latest now debuting in the United States, has join in to attract more Chinese families to purchase computers for their homes as household purchases of computers now account for 20 per cent of China's personal computers sales last year. — AFP/UNB photo

**Fokker declared bankrupt**

AMSTERDAM, Mar 15: Crippled Dutch planemaker Fokker NV said today it had declared bankruptcy at its three units under creditor protection, reports Reuter.

This marks the end of 77 years of aircraft history in the Netherlands, Fokker Chairman Ben Van Schaik told a news conference at Amsterdam's Schiphol Airport.

Fokker, crippled by debt and heavy losses, has been kept alive with the help of state credits while frantically searching for a buyer since German parent Daimler-Benz cut a cash lifeline on January 22.

**France slates farm policy changes in US**

VERSAILLES, France, Mar 15: The French have mounted a powerful attack on farm policy changes being discussed in the United States, charging they could provoke a new tussle for world markets, reports Reuter.

Farm Minister Philippe Vasseur now vows to make it a personal priority to rally the European Union to defend EU interests against a farm bill now inching its way through Congress that he called expansionist.

It could mean a 50 per cent rise in US farm exports.

"The EU must consider its choices. A clear, appropriate and vigorous response is indispensable to this expansionist move," Vasseur said in a speech on Wednesday to the powerful FNSEA annual of farm workers at its union congress.

US lawmakers have for months been negotiating a farm bill described as the biggest rural shake-up since the depression.

A version passed by the House of Representatives in February would create a new subsidy system and open an era allowing farmers to pursue export profits and slash federal controls.

US Agriculture Secretary Dan Glickman said earlier on Wednesday he hoped congress could complete work on the final version of the farm bill by the end of next week.

Negotiations are expected soon between the House and the Senate, which has passed a different version of the bill.

Vasseur's remarks were the first public French reaction to US plans and recall his own tough rhetoric during marathon negotiations leading to last year's world trade accord, before he was appointed minister.

France at one stage threatened to block the Uruguay Round trade accord in a dispute with the United States over farming.

Vasseur vowed on Wednesday to make it his personal priority to secure a strong response from France's EU partners. France is Europe's largest agricultural producer and exporter.

Vasseur said French farmers must become competitive enough to export to world markets without the help of EU subsidies.

Such exports are not covered by the world trade pact, which places a cap on subsidy spending by rich exporting nations.

**Tens of thousands protest against Austria's austerity package**

VIENNA, Austria, Mar 15: Tens of thousands of university students and some professors protesting a government austerity package blocked traffic in downtown Vienna Thursday in the biggest demonstration seen in Austria in years, reports AP.

It was the third student rally this week against spending cuts. Student leaders plan an even bigger demonstration on Friday.

Protesters are infuriated by the decision of the new coalition government sworn in this week to slash students' income by sharply reducing family allowances, abolishing free travel on public transport and curbing scholarships.

Higher taxes, spending cuts and other restrictions are part of a government programme to save 100 billion schillings (10 billion dollars) in the next two years.

Student leaders say that tens of thousands of students will have to stop studying because the cost of living is already too high and further financial burdens are unbearable.

In Vienna, student leaders said some 40,000 took part in the protests, including the rector of the city's three universities and many university teachers and employees. Police said the number of protesters was below 20,000.

Thousands of students also demonstrated in the cities of Linz and Graz.

Vienna University's rector Alfred Ebenbauer confirmed a suspension of all lectures. It was unclear when they would resume in a land where such strike action has been virtually unknown in three decades of rising living standards.

**China promises to buy more Manila goods to reduce trade imbalance**

MANILA, Mar 15: China promised Thursday to buy more Philippine products to reduce the trade imbalance between Beijing and Manila, a Philippine official said Thursday, reports AP.

Foreign Undersecretary Rodolfo Severino said he had received the assurance from Chinese Vice Foreign Minister Tang Jiaxuan, who is in Manila for talks.

Severino said Manila's trade with China grew in 1995 but that China's trade surplus also widened. In 1995, trade between the two countries amounted to 1.3 billion dollars but Philippine exports totaled only 276 million dollars.

Severino said Filipino businessmen will be invited to China to study which Philippine products could be exported there.

"China would give more priority to these products," he said.

Severino said Foreign Secretary Domingo Siason will visit Beijing in June to discuss trade opportunities and other issues with China.

The Philippines' largest imports from China include soybean products, fertilizer and coal.

**Chirac opposes further EU free trade agreements**

PARIS, March 15: French President Jacques Chirac said yesterday he opposed the European Union entering new free trade agreements until a new world trade watchdog had proved its effectiveness and the European economy was stronger.

Speaking at a ceremony marking the 50th anniversary of France's main farmers' union, Chirac made clear he was opposed to a transatlantic free trade area advocated by the United States and some EU countries such as Britain.

"I do not want the European Union to get involved blindly in free trade agreement before the World Trade Organisation has proved its efficacy and the European pole itself has been reinforced," the President said.

Chirac reaffirmed his support for a single European currency, saying it was vital to keep France a competitive agricultural power and protect farmers' interests.

"Without a deepening (of the European Union), without a single currency, our agriculture would not be equipped to face the next century," he said.

"For the state, improving the competitiveness of agriculture means... achieving a real international monetary stability on the basis of realistic exchange rates," Chirac added.

**Technical glitch erases investors' share account in Malaysian bourse**

KUALA LUMPUR, Mar 15: Panic-stricken investors have been inundating the Malaysian bourse with calls after technical glitches erased their share accounts in the exchange's new computerised stock-trading system, reports AFP.

Exchange officials admitted today that the discrepancy was caused by miscommunication between the Central Depository System's (CDS) date file and its statement printing department.

The Malaysian Central Depository (MCD) SDN. BHD, which aims to transform the local bourse to scripless trading by the end of the year, has received some 60 calls from shocked investors, the Business Times daily reported today.

Investors, including one who held one million ringgit (400,000 dollars) worth of shares, had received statements covering a period of between January 29 and February 28 that showed their stock-accounts were empty, the daily said.

The Kuala Lumpur Stock Exchange, in a statement late Thursday, assured investors their shares were intact.

"Investigations reveal that the problems was caused by the failure of the CDS statement printing system to capture the actual transaction and balance details in the data file," and exchange official said.

**US wholesale prices fall**

WASHINGTON, Mar 15: Wholesale prices in the United States fell 0.2 per cent in February, the first decline in eight months as milder weather restrained energy costs that had surged the previous two months, reports AP.

The US Labour Department said Thursday the drop in its Producer Price Index was the first since an identical decline last June. The last time it was larger was in October 1994 when wholesale prices fell 0.4 per cent.

Energy costs dropped 0.7 per cent after shooting up 2.9 per cent in January and 3.7 per cent in December when severe winter temperatures boosted use of furnaces and other heating equipment. It was the first drop since energy prices fell 1 per cent in November.

Food prices also fell in February for the second straight month, down 0.3 per cent after a 0.2 per cent decline a month earlier.

Excluding the volatile food and energy components, the core index rose a slight 0.1 per cent. Overall, wholesale prices were rising at a 0.9 per cent annual rate during the first two months of 1996.

The PPI, which measures cost pressures before they reach the consumer, was released a day before the government publishes its report on consumer prices for February.

Analysts expect a 0.2 per cent increase in the Consumer Price Index, just half the 0.4 per cent jump in January when severe winter weather inflated heating costs.

**China's coal export rises 10 pc in '95**

BEIJING, Mar 15: China's coal exports rose 10 per cent to 24.75 million tonnes in 1995, and earned record levels of foreign currency, the official Xinhua news agency said yesterday, according to AFP.

Quoting targets set by the China national coal import and export corporation, the news agency said coal exports were expected to reach 35 million tonnes by the turn of the century and earn 1.0 billion dollars of foreign currency for the ailing industry.

The report did not give a figure for export earnings in 1995.

China is the world's largest coal producer, but the industry is hampered by low yield mines, out-of-date technology, poor transport links and serious over-employment.

**'Growing inflation in Peru does not mean return of hyperinflation'**

LIMA, Mar 15: Economy Minister Jorge Camet yesterday said growing inflation in Peru does not mean a return of hyperinflation, reports AP.

If inflation reaches "10 or 11 per cent a year we should not be alarmed because nothing will happen to the country," he said.

Camet said the government had begun to "put its house in order" by reducing economic growth, adding that it could not continue at 13 per cent a year.

The optimal rate of growth is between six and eight per cent, he said.