

China, Venezuela forge trade relations

DPA, Beijing

Chinese Premier Zhu Rongji met Venezuelan President Hugo Chavez Friday as the two countries continued to build trade and diplomatic ties following Chavez's day-earlier meeting with President Jiang Zemin.

Zhu and Chavez "exchanged views on issues of common concern", state media said without giving details, though Zhu normally focuses on economic relations.

The two countries are developing a 10-year cooperation plan, with Chinese officials focusing on agriculture and energy, Jiang was quoted as telling Chavez on Thursday.

Venezuela is "the biggest target country of Chinese investment" in Latin America, the official Xinhua news agency quoted Jiang as saying.

The two presidents attended a signing ceremony for six documents on agriculture, energy, science and technology, information and gold mining, the agency said.

Bilateral trade value reached \$351 million dollars last year, up 86 per cent from 1999, it said.

Jiang and Chavez also reaffirmed their alliance as champions of the developing world.

Globalisation has "widened the gap between the rich and the poor", Jiang told Chavez.

China, Venezuela and other developing countries are faced with the common task of peace and development", he said.

Chavez arrived on Thursday for a five-day visit which follows Jiang's visit to Venezuela in April, when the two sides signed agreements covering oil, agriculture and other areas.

The two sides have also discussed military links, with the Chinese defence minister meeting Venezuelan air force chief Arturo Garcia on Wednesday.

Chavez, criticised at home and abroad for becoming too supportive of Communist-ruled China and Cuba, plans to leave China next Monday for Malaysia and Indonesia.

He arrived in China from Bangladesh, following visits to Russia, Iran and India.

S'pore, Myanmar in fourth round of economic talks

AFP, Singapore

Singapore and Myanmar opened a fourth round of bilateral economic talks here Friday, as Southeast Asia's most affluent country works "to strengthen the economic integration" of its struggling ASEAN partner.

The Myanmar economy is reeling from a crippling regime of sanctions, and foreign investment have all but dried up owing to the stigma attached to investing in a country blamed by the West for serious human rights abuses.

However, Singapore has adopted a policy of "patient and quiet diplomacy" towards the ruling junta, encouraging Myan-

mar to open up via economic engagements such as investments and tourism.

Singapore is Myanmar's main foreign investor and largest trading partner, although bilateral trade peaked at just 1.3 billion Singapore dollars (725 million US) in 1997, the year Yangon joined the Association of Southeast Asian Nations (ASEAN).

In a speech opening the talks, Singapore Trade Minister George Yeo noted an erosion of confidence in ASEAN in the past three years and foreign direct investment (FDI) had dropped from 28 billion US dollars in 1997 to 15 billion US dollars in 1998.

For the year 2000, FDI inflow

is expected to be even lower. It is therefore critical for Myanmar and Singapore to work with other countries in ASEAN to build a more conducive, pro-business and investment-friendly environment," he said.

Last November, Singapore unsuccessfully tried to raise support to block the International Labour Organisation from recommending sanctions against Yangon over the issue of forced labour.

A month later, Singapore Prime Minister Goh Chok Tong threatened to call off talks between ASEAN and the European Union amid reports some European ministers would not attend because of Myanmar's presence.

Weak economy takes toll on US home sales

REUTERS, Washington

recovery."

In its latest data, the Labour Department reported that more Americans either applied for or remained on the rolls for state unemployment benefits last week.

Initial claims for state jobless benefits jumped by 15,000 in the week-ended May 19 to 407,000 from a revised 392,000 in the prior week, the Labour Department said. The previous week's initial claims number was revised to an increase rather than a drop as first reported.

The closely watched four-week moving average of jobless claims, which lags out week-to-week volatility, edged down to 403,000 last week from 404,250 the week earlier.

But in an another sign the pace of hiring has indeed slowed sharply, the number of workers remaining on unemployment benefit rolls rose to 2,772,000 in the week ended May 12 – the latest week for which figures were available – from 2,683,000 a week earlier. That is the highest level since June 1991.

The slipping labour market is expected to eventually take its toll on the housing market, which has been key in propping up the sagging economy.

Lower mortgage rates so far have helped boost home sales, but in recent weeks they too have been creeping up.

According to Freddie Mac's latest survey, 30-year mortgage rates this week averaged 7.20 per cent, up from 7.14 per cent a week earlier. However, a year ago rates on 30-year mortgages averaged 8.62 per cent.

"The news for the markets is that housing is not going to be a strength for the economy over the next six months or so," Vitner said.

"You would think a weakening job market would take some toll on housing demand," predicted Dave Seiders, chief economist at the National Association of Home Builders.

The April new homes sales figures were indeed short of Wall Street's expectations, but analysts say the market right now is still relatively strong.

Joel Naroff of Naroff Economic Advisors in Holland, Pa noted that even with the 9.5 per cent drop in demand during April, new home purchases during the first four months of this year are still running more than 8 per cent above last year's pace.

Similar versions of the legislation, the most sweeping overhaul of bankruptcy laws in 20 years, cleared the House and Senate two months ago but final passage has been held up partly by the 50-50 party split in the Senate. That split will change in favour of the Democrats because of the decision of Republican Sen. James Jeffords of Vermont to become an independent.

Proponents of the legislation have pointed to the surge in bankruptcy filings in recent years, when the economy was strong, as evidence of abuse of the system.

Australia urges Japan to slash farm cover to revive economy

AFP, Sydney

cultural and Resource Economics (ABARE) estimated that because of the protection rice is five times more expensive in Japan than in free-trading countries, while milk is three times dearer.

The Australian Bureau of Agri-

US bankruptcy surges in first quarter

Bankruptcy filings by American consumers and businesses jumped 17.5 per cent in the first three months of the year as the economy slumped, the Adminis-

trative Office of the US Courts reported.

Filings reached 366,841 in the January-March period, the highest ever for a first quarter, and up from 312,335 a year earlier, the office said. They haven't been this high since the second quarter of 1998, when 373,460 new bankruptcy cases were filed.

"The economic slowdown begin-

ning last fall, combined with historic high levels of consumer debt, mean that (bankruptcy) filings will reach a new peak this year," said Samuel Gerdano, executive director of the American Bankruptcy Institute, an independent group of bankruptcy judges, lawyers and experts.

News of the increase, which

many experts had expected, came

Wednesday as legislation is stalled

in Congress that would make it

more difficult for people to erase

their debts in bankruptcy courts.

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