

# BUSINESS

## UNGA okays first budget increase in 8 years

AP, United Nations

The UN General Assembly approved a new budget for the years 2002-2003 with the first increase in eight years.

The regular budget will be \$2.625 billion, up \$90 million from the \$2.535 billion budget in 2001-2002.

But the new budget, approved on Monday, will only enable the UN peacekeeping department to add about 100 new posts -- not the 250 new posts that Secretary-General Kofi Annan wanted.

Still, the decision by the 189-nation General Assembly appears to represent a new recognition that UN reforms have had an impact and that the world body cannot continue to operate on a "no-growth" budget.

The United Nations has been

under pressure in recent years to reduce costs and increase efficiency, especially from the United States, which had insisted on a zero-growth budget.

But last December, the United Nations, under pressure from the United States, adopted the first major overhaul of its financing in more than two decades. US payments to the world body were cut and more of the financial burden was shifted to developing countries that have experienced economic improvement.

As a result, there has been a new willingness to consider increasing the budget, especially because the United Nations is being called on to play a major role on a host of issues ranging from rebuilding Afghanistan

to fighting AIDS and terrorism.

In the past week, both Annan and General Assembly President Han Seung-soo of South Korea had called for an increase in the UN budget.

But Annan was hoping for more money to implement recommendations in an August 2000 report by an international panel that called for a total overhaul of UN peacekeeping.

It said the United Nations must establish the equivalent of a ministry of defense to modernize and professionalize UN peacekeeping operations so troops can deploy rapidly to world crises.

The panel was headed by former Algerian Foreign Minister Lakhdar Brahimi, who is currently Annan's top envoy to Afghanistan.

## Chinese tax revenues grow by 20.7pc

AFP, Beijing

Chinese tax revenues grew by 20.7 per cent in the first 11 months from the same period last year, but the growth rate was expected to fall to 10 per cent next year, state press said Tuesday.

The State Administration of Taxation reported it had received total revenues of 1.36 trillion yuan (164 billion dollars) in the period from January to November, the Economic Daily reported.

Next year the growth rate of tax revenues was expected to slow to 10 per cent, the paper quoted tax minister Jin Renqing as saying at a Monday meeting in Beijing.

Jin called on tax collectors to step up efforts in collecting income taxes, while urging them to step up administrative curbs on "tax free, low tax and late tax" loopholes.



PHOTO: AFP

President of Japanese auto giant Toyota Motor Fujio Cho introduces the new mid-sized sedan "Premio", equipped with a low emission 1.5-2.0 litre engine with front-wheel or four-wheel drive, during a press preview in Tokyo yesterday. Toyota will put it on the domestic market January 12 with a price ranging from \$12,300 to \$16,600.

## Pearson sells RTL stake to Bertelsmann for \$1.3 b

AFP, London

British media group Pearson said Monday it had agreed to sell its stake in European broadcaster RTL to German group Bertelsmann for 1.5 billion euros (1.3 billion dollars).

Pearson created RTL group last year when its television operations merged with Luxembourg's CLT-Ufa, giving the British company a 22-per cent stake in the new outfit.

RTL group is Europe's leading integrated broadcasting and content company, with 23 television and 17 radio stations in nine European countries.

Bertelsmann and its affiliates will control 89 per cent of RTL following Monday's deal. The German group now intends to buy out the remaining publicly owned stock at a price of 44 euros per share -- some eight per cent more than its closing value on Friday.

Pearson chief executive Marjorie Scardino said the deal would enable Pearson to focus on business that it controlled as well as strengthening its balance sheet. The company recently issued profit warnings for both its FT newspaper division and its education publishing business.

## ROK monitoring currency fall

REUTERS, Seoul

South Korea is keeping a "close watch" on the recent fall of the won, following the weakening yen, Finance and Economy Minister Jin Nyum said yesterday.

"We'll make joint efforts with relevant countries to take counter steps," Jin said on a KBS radio programme.

The won is hovering at 11-week lows. It closed at 1308.2 per dollar on Monday.

Jin reiterated South Korea's targets for next year of economic expansion of four per cent with inflation at three-per cent and an unemployment rate of around three per cent.

He also said the government expects foreign direct investment of between \$10 billion and \$15 billion in 2002.

## Euro cash faces reality check Jan 2

AFP, Paris

Wednesday January 2, 2002, 8:00 am. A day after the New Year holiday, 304 million Europeans in the euro zone return to weekday routines which no longer seem routine -- not with the new euro cash.

Euro coins and banknotes, which became legal tender in the 12-nation euro zone on January 1 in the world's biggest monetary conversion, get their first reality check as millions of consumers go about their business of buying.

Whether it be for bread at the bakery, groceries at the supermarket or fruit at the market, actually using the new coins and banknotes could be a shopper's paradise or punishment.

Best-case scenario: Thanks to a euro kit of coins -- 3.6 billion coins were issued in December -- which the consumer has carefully kept in a special wallet, it seems easy to buy bread at the bakery at a conveniently rounded price of 60 euro cents. Recognizing the 50-cent and 10-cent coins takes little time.

At the supermarket, there is no problem because the shopper is paying with a bank card or a euro check. An assistant reiterates that the bill will be debited in euros, while the register tape will display

the amount in euros and the national currency. No problem, too, at the fruit and vegetable market, because the shopper has obtained euro banknotes from the automatic teller machine.

Doomsday scenario: The consumer did not have time to buy a euro kit in December and all his euro checks are gone. Worse, all the cash distributors in his neighborhood are empty. Even worse in France, where a bank strike means they probably will not be refilled for a long time.

All that is left in his wallet are a few national banknotes and coins.

At the bakery, the saleswoman watches sourly as he pulls out a 10-franc or five-mark coin, or 10,000-lire banknote. She is annoyed at the amount of change she has to give him. She is annoyed at the amount of change she has to give him. She is annoyed at the amount of change she has to give him.

There is some relief at the supermarket, where he pays by bank card.

But at the market, he leaves empty-handed after deciding not to join the long line created by other ill-prepared shoppers.

Back at the office, a further jolt.

No coffee. The machine only takes euros.

These practical problems that might be faced in early January are not the only concerns bothering European consumers.

Despite the repeated assurances of security features against counterfeiting, the bills are widely rumored to be easily imitated.

The chairman of the European Consumers' Organisation, Jim Murray, recalled last month that "surveillance" and "control" should be the two watchwords for consumers in the arrival of the euro.

"Consumers will first perceive the transition to the euro as more of a problem than an advantage," he said.

"Effectively, they are going to be in the throes of a difficult psychological process: They're going to lose their references for judging the value of things as well as for managing their own budgets, and they will have to learn a new financial language."

The Brussels-based organization, known by the acronym for its French name, BEUC, is a federation of independent national consumer organizations from all 15 EU member states and from other European countries.

Major retailers have given their cashiers months of training in

detecting counterfeits of the seven banknote denominations. Unlike the eight coins, which have a face chosen by each of the 12 euro-zone countries, the banknotes will be identical.

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## Yahoo's bid for HotJobs.com deemed best

AFP, San Francisco

Yahoo said Monday it was notified by HotJobs.com Ltd, an internet site for employers and jobseekers, that its takeover offer had been judged more favorable to shareholders than that of competitive bidder TMP Worldwide.

Last week Yahoo topped a prior bid for HotJobs from TMP by offering 436 million dollars in stock and stock for the company.

In a separate statement, HotJobs.com, said it has given formal notice to TMP that HotJobs received a "superior proposal" from Yahoo, contrasting with the merger agreement entered into June 29 between HotJobs and TMP.

HotJobs said the Yahoo proposal is superior because it would guarantee a price for all outstanding HotJobs common stock at a price of 10.50 dollars, consisting of equal part of cash and stock.

The stock portion of the TMP offer has no such guarantee, according to HotJobs.com.

## ROK gives positive outlook for economy

AFP, Seoul

South Korea gave a positive outlook Monday for its economy next year, citing a recovery in consumption and the government's stimulus measures ahead of presidential polls and the World Cup finals.

In its economic policy report to President Kim Dae-Jung, the finance and economy ministry forecast gross domestic product (GDP) growth at "over four per cent" in 2002, up from 2.8 per cent projected this year.

The ministry's forecast was more positive than the Bank of Korea's 3.9 per cent and International Monetary Fund's 3.2 per cent.

To boost domestic demand and cushion weaker exports, the ministry said it will bring forward 65 per cent of next year's budget in the first half to June.

In part of the stimulus package, the ministry said the government plans to construct about 550,000 new homes across the country next

year.

It said it expected private consumption to rise more than 3.5 per cent in 2002 with construction investment up about 6.0 per cent.

With two key elections and two major sports events scheduled for next year, the ministry said its policy will also focus on containing inflation fears.

It said it will stabilize the consumer price index at around three per cent next year, down from 4.3 per cent in 2001.

South Korea holds the nationwide polls to elect local government heads in June and the president in December. It will also co-host the World Cup Finals from May 31 to June 30 and the Pusan Asian Games in June next year.

The ministry said it will pull down the unemployment rate at around 3.5 per cent next year from 3.7 per cent in 2001.

It also expected the current account surplus to stand at four to five billion dollars next year.