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13 joint ventures scrapped in China

THIRTEEN joint venture hotel projects in Guangzhou are now known to have been hit by the Chinese Government's plan to halt inflation on the mainland.

In addition to the seven projects which *China Daily* revealed had been postponed or cancelled, a further six were scrapped earlier this month under the Government's new austerity program.

The 13 projects are estimated to have been worth \$1.6 billion.

A China trader said last night that further cuts might be made in order to comply with Beijing's directive to cut investment by about 20 per cent next year.

The control of capital construction projects is one way in which the Government hopes to slow down investment and halt inflation.

He said six hotel projects worth more than \$1.2 billion were ordered to be cancelled or postponed earlier this

month. The hotels include the Huangpu Jing Mao Mansion, Great Chun Hua Hotel and the Jing Hai Hotel.

The total area of the six hotels is 247,200 square metres of which Huangpu Jing Mao is the largest.

He said the seven projects announced this week are smaller than the first batch with a gross floor area of about 65,000 square metres with a total investment of more than \$380 million.

The seven projects include the Asia Hotel, Harbour Hotel and Hua Deng Hotel.

Party general-secretary Zhao Ziyang has set specific goals for reducing investment in fixed assets by 50 billion yuan (about HK\$105 billion), a drop of about 20 per cent from this year.

The trader said Guangzhou is expected to face cuts in excess of 30 per cent because of the disproportionate amount of foreign investment in the city.