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## Accord likely in UK talks on China flights

By TAD STONER

SINO-British air talks will reconvene in London in the next two months, with an agreement likely on increased flights to Beijing and Shanghai for Cathay Pacific and scheduled services into China for Hongkong Dragonair.

Little prospect exists, however, for accord on Beijing's longstanding desire to fly between Hongkong and a third country.

Five days of talks in Beijing last week among negotiators from the Civil Aviation Administration of China (CAAC), Hongkong's Economic Services Branch and Britain's Department of Transport ended on Friday with substantial progress on the issue of increased capacity for both Hongkong's and China's airlines.

Mr Norman Chan Taklam, principal assistant secretary for air service negotiations in the Economic Services Branch, said he was pleased with the talks, which had been stalled for one year.

"We had very useful discussions and made good progress on some issues," Mr Chan said.

"Hopefully, we will get a new round in November or December, and the British and Chinese delegations are trying to find a slot in the schedule."

A Cathay Pacific spokeswoman said the airline was expecting a new meeting soon.

"The talks ended without agreement and we expect that another round of talks will be scheduled before the end of the year," she said.

Hongkong's two airlines have long sought to upgrade

their services to China, but have been stymied by the inability of Government negotiators to forge an acceptable trade-off with Beijing.

Cathay, with four weekly flights to Shanghai and three to Beijing, has sought daily frequency on both routes.

Dragonair, with 29 weekly charter trips to 10 destinations throughout the country, has tried to convert its flights to permanent services.

CAAC, which not only determines Government aviation policy but is also China's state airline, has hoped both for increased flights to Hongkong and the right to take aboard passengers at Kai Tak and fly them to a third country.

CAAC operates 70 scheduled flights and 302 charters into Kai Tak each week.

A source said negotiators had agreed to an arrangement that would allow Hongkong's airlines to achieve their aims, while allowing an increase in scheduled flights to Kai Tak by CAAC.

"The main issue is increased capacity between Hongkong and the mainland," he said.

"We want greater capacity, so the Government gives them more flights to Hongkong and we get more to China."

The source was unable to provide details of how many CAAC charters would be affected.

But he indicated that Cathay, while not achieving daily frequency, would gain several additional flights and that Dragonair would probably be awarded scheduled service on its five services each week to both Guilin and Xiamen.