/ '97 takeover stalls Taiwan aviation deal

TAIWAN and Hong Kong have made-little progress in talks on extending their aviation agreement because of the approaching 1997 takeover of the territory by China, Taiwanese officials have said.

Taiwan wants to extend the agreement for five years when it expires in 1995, but Hong Kong cannot enter into agreements that overlap the takeover unless China, the future sovereign, endorses them.

Officials yesterday blamed pressure from China for the scant progress made by a Taiwanese delegation that returned from Hong Kong on Tuesday.

Chu Yung-chuan, director of aviation and navigation at the Transport Ministry, said China was using the issue as a lever to pressure Taiwan into dropping its long-standing ban on direct travel links with the mainland.

"We are told by Hong Kong that the mainland intends to push Taiwan into having direct air links with it by obstructing our efforts to keep Hong Kong as a gateway to the mainland," Mr Chu said. Taiwan and China do not recognise each other, so flights go through a third country, mostly Hong Kong. Taiwan and Hong Kong are connected by 195 flights a week, making the territory the gateway for Taiwan's business and civilian ties with China.

"We know it will be tough to have them (Hong Kong) accept our terms, given pressure from the mainland," Mr Chu said.

Hong Kong refused to budge on Taiwan's request to extend the agreement beyond 1997, citing undertakings to China, a Transport Ministry official said, requesting anonymity.

Taiwan is considering a replacement site in case it loses landing rights in Hong Kong.

The aviation pact is between Taiwan's China Airlines and Hong Kong's Cathay Pacific Airways.

Cathay Pacific spokesman Nick Rhodes said it was "a complex and sensitive negotiation, and in the interest of making progress it is best not to discuss details at this time".

-Associated Press