**OCDE REVUE DE PRESSE/OECD PRESS REVIEW**

**** March 13 Mars 1991


**** SG/PRB/D(91)50

**REUTER – WORLD NEWS SUMMARY**

BELGRADE – Anti-communist demonstrators in Belgrade appear to triumph after 4 days of protests by forcing concessions from leaders in Yugoslavia’s biggest republic, Serbia. President Borisay Jovic said the army had proposed measures to protect security and constitutional order.

NICOSIA – Iraqi exiles say President Saddam Hussein’s forces are cracking down mercilessly on a 2-week-old rebellion, leaving bodies piling up in holy cities where civilians fled for safety.

VIENNA – Communist Albania, slowly emerging from decades of isolation, has pardoned all remaining political prisoners and is to restore diplomatic relations with Washington after a 52-year rift.

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**OPEC**

**FINANCIAL TIMES: Saudis plan to reassert dominant role**

GENEVA – “Saudi Arabia is planning to reassert its dominance over the world oil market by increasing its production capacity over the next few years to a record level of 12m barrels a day (b/d) from a peak of 8.75m b/d. The first signs of this tough, new approach by the world’s biggest independent oil producer emerged yesterday as the kingdom opposed moves by radical members of the OPEC to make deep cuts in the current levels of production. At the end of a tough 2-day meeting, the first since the end of the Gulf war, the organisation agreed to cut OPEC output by about 1m b/d to 22.3m b/d in the second quarter of this year in spite of opposition from Iran and Algeria. Yesterday’s agreement involves a cut in output of about 3% by most OPEC producers.”

**THE SEARCH FOR PEACE IN THE MIDDLE EAST**

**REUTER: PLO said ready to offer concessions to Israel**

LONDON – “A senior Palestine Liberation Organisation official said he would announce concessions to Israel aimed at starting negotiations for establishing a Palestinian state, Britain’s SKY NEWS reported on Wednesday. The television network said it was told by PLO chairman Yasser Arafat’s political adviser Bassam Abu Sharif that he would announce the concessions at a London news conference on Thursday. According to SKY, main points of the plan include dropping the PLO’s long-standing PLO demand to be treated as an equal partner in talks with Israel. The PLO would also accept something less than the entire West Bank and Gaza Strip and compromise with Israel on the state’s borders. The state would be demilitarised for a transitional period, during which the United Nations would assure its security. Elections would be held to choose a government.”

**ELECTRONICS, SEMI-CONDUCTOR INDUSTRIES**

**HERALD TRIBUNE: Paris seeks EC computer plan**

PARIS – “The European Community should have an industrial policy to strengthen its strategically important electronics sector in the face of US and Japanese competition. Elisabeth Guigou, France’s minister for European affairs, said Tuesday. ‘We are on the brink of a disastrous situation if we do not react in computers, in mass-market electronics and in components’, the minister said. She told an electronics industry group that ‘we need a proper industrial policy that is presented as such’. She acknowledged that only France, Italy and Spain and possibly Germany favor an EC industrial policy. But she said electronics is too vital an area to be left to short-term market forces. Mrs. Guigou noted that Europe shows a
cumulative trade deficit in this sector of $34bn against a surplus of $63bn for Japan."

LE FIGARO: Semi-conducteurs: accord entre la CEE et les Japonais

"La CEE a passé un accord avec les 7 fabricants japonais de semi-conducteurs Eprom afin d'établir un prix minimal pour leurs importations dans le Marché commun. Ces 7 sociétés sont les seules au Japon à fabriquer des semi-conducteurs Eprom (mémoires reprogrammables), utilisés dans les ordinateurs et les télécommunications. Les prix minimaux seront voisins des coûts de production des fabricants japonais les moins chers, majorés d'une marge de profit de 12,5%, selon la Commission. Un droit anti-dumping de 94% sera appliqué sur les semi-conducteurs exportés par un éventuel nouveau producteur japonais."

EAST - WEST

REUTER: EC official signs aid package for Romania

BUCHAREST - "A European Community official signed a 90 million Ecu ($118 million) aid package for Romania on Tuesday, but said the former communist state was still a long way from winning EC associate status. EC External Affairs Commissioner Frans Andriessen said Romania was making good progress in its drive to build a market economy... Andriessen's trip to Romania was the last stage of a 5-nation East European tour... He signed an agreement with Romanian Economic Guidance Minister Eugen Dijmarescu under which the EC will give Romania 90 million Ecus as part of the EC's aid Programme for Economic Reconstruction in Eastern Europe (PHARE). The money will be used for agricultural equipment and training."

REUTER: Hungary urges cagey Japanese to buy state firms

TOKYO - "Hungary launched on Wednesday its first investment promotion campaign in Japan, trying to induce cautious Japanese firms to purchase some of the 2,000 Hungarian state companies up for sale. 'We understand Japanese caution', Zoltan Gombocz, under-secretary of state at the Ministry of International Economic Relations, told a seminar for 150 representatives of manufacturers, financial institutions and trading firms. 'But with their high level of technology, trade and organisation, Japanese companies have a chance to gain tenders in Hungary', he said. Japan accounts for less than 10 of the 5,000 foreign joint ventures set up in Hungary, nearly all of them since a new joint venture law took effect at the start of 1989."

OECD ECONOMIES

Australia

FINANCIAL TIMES: Hawke takes an axe to tariffs

SYDNEY - "Mr Bob Hawke, Australia's Labor party prime minister, yesterday announced a package of tariff cuts, tax changes and other measures intended to bring the economy into line with its more dynamic Asian neighbours. Mr Hawke said the package would boost Australian competitiveness and help reduce the current account deficit, which is running at an annual rate of more than A$17bn (6.9bn pounds sterling), in spite of a recession induced to cool the overheated economy... Mr Hawke said the package's centrepiece would be continued cuts in the general level of tariffs, from a target of between 10 and 15% next year to 5% by 1996. Tariffs on passenger vehicles will fall from 35% next year to 15% by 2000, and protection for textiles, clothing and footwear will be cut from a maximum of 55% to 25%. Import quotas will end in 1993."

Allemagne

LES ECHOS: La Deutsche Bundesbahn s'enfonce dans le rouge

FRANCFORT - "Les chemins de fer allemands ne sont pas parvenus l'an dernier à stopper la dégradation de leurs résultats. Malgré la poursuite de son ambitieux programme de modernisation et de restructuration, qui s’est notamment soldé par la suppression de 100.000 emplois en 10 ans, le déficit de la Deutsche Bundesbahn s’est encore aggravé l’an dernier, atteignant 4,96 mrds de marks (environ 17 mrds de francs), en hausse de 1,1 mrd par rapport à l’année 1989. L’endettement s’est également alourdi. Il s’élève au montant faramineux de 47 mrds de marks (163 mrds de francs)."

Italy
MILAN - "Carlo De Benedetti was indicted by a Milan court for fraudulent bankruptcy in connection with his role in the 1982 collapse of Banco Ambrosiano, Italy’s biggest banking scandal. The court’s decision to send the case for trial means the Italian entrepreneur could be seriously distracted from other business activities in the coming months as he seeks to clear his name... The surprise move by the court is the latest chapter in a judicial investigation that has been under way for nearly 9 years."