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REUTER - WORLD NEWS SUMMARY

JOHANNESBURG - Deadlock over South Africa’s political crisis has deepened with Nelson Mandela’s refusal to meet President F.W. de Klerk to discuss how to revive democracy talks.

LITTLE ROCK, Arkansas - The US Democratic presidential ticket of Bill Clinton and Albert Gore has a heavy southern tilt but the Repubulcan campaign is confident President George bush will keep control of the American South enroute to re-election.

SANTIAGO - Santiago authorities told small children, the elderly and the sick to stay at home to avoid dangerous levels of smog suffocating the Chilean capital.

AFP: LE MONDE EN BREF

CAP CANAVERAL (Etats-Unis) - La navette spatiale Columbia a atterri à 07h43 au centre spatial Kennedy de Cap Canaveral, à l’issue d’un vol de 13 jours, le plus long réalisé par une navette.

KOUROU (Guyane française) - La 51-ème fusée européenne Ariane, qui avait décollé à 19h42 locales, depuis le Centre spatial de Kourou, a largué avec succès 2 satellites, l’un indien et polyvalent, INSAT-2A, l’autre européen, de télécommunications, EUTELSAT--II-F4.

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MORE ABOUT PEACE

THE GUARDIAN: CSCE aims for new role as guardian of peace

HELSINKI - "President Bush, John Major, Boris Yeltsin and other leaders from 51 countries will sign new Helsinki accords today, entitled The Challenges of Change. They aim to transform the Conference on Security and Co-operation in Europe into an instrument capable of preventing wars and promoting political stability and economic progress across the continent. In future the CSCE will be able to call on Nato or the Western European Union to provide peacekeeping forces to quell crises. But the CSCE’s agenda is far less ambitious than the UN secretary-general’s recently published Agenda for Peace, which calls on UN member nations to provide forces to undertake peace enforcement as well as peacekeeping missions."

F.T.: Western navies move to tighten Serbian sanctions

HELSINKI - "The Western European Union defence organisation is today expected to agree to send naval units to patrol the Adriatic in a move to tighten sanctions against Serbia after its failure to stop the war in Bosnia-Hercegovina. In separate moves, the US despatched a cruiser and an amphibious landing ship to the area, and France decided to send more troops and helicopters to Bosnia in support of United Nations relief operations. US defence officials said the ships from the Sixth Fleet were last night scheduled to enter the Adriatic, where 7 US warships were briefly stationed last week. Their presence will emphasise Washington’s determination to support humanitarian relief operations in Bosnia, they said."

THE GUARDIAN: France orders aircraft to Bosnia

HELSINKI/ PARIS - "France yesterday announced plans to send attack helicopters and more troops to protect Sarajevo airport as President Mitterrand again took the lead in propelling the international community towards military intervention in Bosnia. The Foreign Secretary, Douglas Hurd, and other Nato allies were taken by surprise by the French decision,
under which 5 heavy Puma transport helicopters and 4 Gazelle combat helicopters are to leave Toulon by ship next Thursday. They are expected to be off the Yugoslav coast 2 days later, ready to go into operation if ordered.

RUSSIA

F.T.: World Bank to make its first Russian loan

"The World Bank is to make its first loan to Russia, just 3 months after the country was admitted as a member. The bank is preparing around $1.7bn of loans to support the Russian balance of payments, the first of which - a $600m loan to finance critical imports - could be approved early next month. Officials familiar with recent talks between the Russian government and the bank said the $600m loan, to finance the import of priority goods such as health supplies and spare parts, should be presented to the World Bank board in early August before the start of its summer recess. They said the loan, to be disbursed over a 6-month period, would not be heavily conditional on economic reform."

BRAZIL

HERALD TRIBUNE: Debt pact marks an end to crisis decade

NEW YORK - "Brazil, the developing world’s largest debtor, reached an agreement Thursday with its commercial bankers to reduce and restructure $44bn of loans... The agreement in principle, which was announced here, provides the bankers with a series of incentives that would in some cases give Brazil a 35% reduction in its $44bn of outstanding medium- and long-term loans to commercial banks. In exchange, banks are offered an array of incentives, including a system of guarantees on the new debt and the interest paid on it... Brazil’s total public and private debt is $116bn."

SOUTH KOREA

FINANCIAL TIMES: Urged to liberalise trade policies

"South Korea owes much of its remarkable economic success over the past 30 years to the open world trading system. GATT’s governing council discussed a report on South Korea’s trade policies by the GATT which pointed out that it was now the world’s fifth biggest trader (counting the EC as one). Since 1962, GDP had grown at an average 9% a year, transforming South Korea from a poor agrarian country to a nascent industrialised economy."

EUROPEAN COMMUNITY

F.T.: EC court refuses to block toxic waste

BRUSSELS - "The European Court of Justice yesterday decided in a landmark ruling that EC member states may not refuse entry to hazardous waste under existing European law, although this allows them to block imports of general waste sent by their partners for dumping or recycling. This anomalous judgment may strengthen the argument of France, which is holding up long-delayed legislation on toxic waste transfers unless it commits member states to dealing with their own harmful waste within the near future. The Court was ruling in a case against the government of Wallonia, the French-speaking region of Belgium, which issued 2 general bans against waste imports in 1984 and 1987."

OECD ECONOMIES

Germany

WALL STREET J.: Pan-German trade surplus down to $739 million

BONN - "Pan-German trade data worsened again in May from the previous month, reflecting a slower-than-expected recovery in the world economy. The Federal Statistics Office said the trade surplus shrank to 1.1bn marks ($739 million) in May from 2.3bn in April. Exports fell to 52.2bn marks from 60.42bn marks while imports slipped to 51.03bn marks from 58.09bn marks. The deficit in Germany’s current account, which includes so-called invisible items such as shipping, insurance and tourism, widened to 4.2bn marks from 1.9bn marks."

WALL STREET J.: Ministry expects GNP growth of 3% in 1993
Bonn - "Germany is expected to see real economic growth of 3% in 1993, the Bonn Economics Ministry announced in a preliminary forecast. The 3% forecast reflects expected growth of 2.5% in western Germany’s gross national product and of 9% to 11% in eastern Germany’s GNP. Eastern Germany’s gross domestic product, which excludes income earned by eastern Germans commuting to work in western Germany, may grow at a rate 2 percentage points slower than its GNP, the ministry said. The ministry said it expected Western Germany’s consumer price index to show growth of ‘just under’ 4% for all of 1992, moderating to 3.5% in 1993."

Italie

La Tribune: Le régime minceur du gouvernement

Rome - "L’heure des premiers sacrifices sonne aujourd’hui pour les Italiens. Ce matin, le Conseil des ministres doit adopter un train de mesures pour réduire de 136 mrd francs le déficit public. Au menu: hausse de l’impôt sur le revenu (4% en 1992, 3% en 1993, 2% en 1994) pour encaisser 29 mrd francs, majoration des taxes sur permis de conduire et actes administratifs, des droits d’enregistrement, des impôts sur le tabac, l’alcool, peut-être aussi l’essence (environ 18 mrd francs), hausse des abonnements pour téléphone portable (de 1.300 francs à 1.800 francs par an), report d’investissements non prioritaires (environ 32 mrd francs)."

United Kingdom

The Times: Cabinet slashes top pay increases to 4%

"Pay rises for 2,000 top civil servants, judges and generals were slashed to 4% from a recommended average of 20% yesterday in an unmistakable signal of the government’s determination to hold down public spending. In a move intended to encourage pay restraint throughout the public sector and private industry, the cabinet imposed the most stringent cut ever made in the recommendations of the independent Top Salaries Review Body. Previous awards have been staged, but this was the first time for 6 years that they had been cut."

Australia

F.T.: Record unemployment is forcing a change in Labor government

"Australia’s unemployment rate rose to 11.1% in June, the highest ever recorded by the government statistics bureau. The figure exceeds the most pessimistic market estimate and has forced a quick policy shift for the governing Labor party. Barely an hour after the figures were made public, a sombre Mr John Dawkins, the federal treasurer, announced that the government would look at fiscal measures to help the unemployed get jobs... Last Wednesday, the official interest rate was cut from 6.5% to 5.75%, the 13th cut since it peaked at 18% in January 1990."