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REUTER - WORLD NEWS SUMMARY

DUSHANBE, Tajikistan - The former Soviet republic of Tajikistan pulled back from the brink of civil war by creating a coalition government with opposition representatives in several key posts.

WASHINGTON - The United States imposed limited sanctions on Russia and India for going ahead with a $250 million rocket deal Washington has tried to thwart for a year.

MANILA - Miriam Santiago, the combative "Iron Lady of the East", had an early lead in the Philippine presidential elections as the nation settled down for a long wait to know the final victor.

AFP: LE MONDE EN BREF

NAIROBI - Les combats font rage dans le sud de la Somalie frappée par une terrible famine où des centaines de gens meurent chaque jour alors que le représentant spécial des Nations unies dans le pays, Mohammed Sahnoun, s’efforce de restaurer la paix.

LONDRES - En libérant une "terroriste" de l’IRA après 18 ans de prison, la justice britannique a reconnu, pour la 4ème fois en 2 ans, avoir condamné et emprisonné des innocents dans le dossier nord-iriandais.

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THE FIGHTING IN EX-YUGOSLAVIA

FINANCIAL TIMES: EC recalls ambassadors from Belgrade

BRUSSELS/BELGRADE - "The European Community yesterday acted to isolate the new Serb-dominated state of Yugoslavia by recalling its ambassadors from Belgrade. As fighting reached a new intensity throughout Bosnia-Hercegovina the EC foreign ministers demanded the withdrawal of the Yugoslav federal army from Bosnia or its disbanding. They called federal forces 'an army of occupation'. In a further diplomatic blow, the EC also shut the rump-Yugoslav state out of the Conference on Security and Co-operation in Europe (CSCE).... Mr Gianni de Michelis, Italy’s foreign minister, said the new Yugoslavia, made up of Serbia and Montenegro, would also be excluded from next week’s ministerial meeting of the OECD, which Yugoslavia has long attended as an observer. Sarajevo suffered another day of heavy fighting as Federal army troops and Serb irregulars continued to tighten their grip on the city. Another 4 people were killed in the city overnight. At least 1,320 people have been killed in the past 45 days of fighting over Bosnian independence."

UPCOMING MINISTERIAL MEETING

FINANCIAL TIMES: Unions urge OECD to act on jobless

"Trade unions in the world’s leading industrialised countries have called on governments to implement ‘active structural policies’ with a strong focus on infrastructure investment to combat a sharp rise in unemployment. Responding to a 5m increase in jobless in the industrialised world over the past 2 years, the TUAC of the 24-nation OECD said governments should agree policies to reduce unemployment at the next week’s OECD ministerial meeting in Paris and July’s G7 economic summit in Munich. It said the OECD should specify a programme of ‘vigorous government action’, to include more investment in infrastructure, investment policy measures, assistance for local and regional development spending, and to raise the purchasing power of the poor."

EASTERN EUROPE

FINANCIAL TIMES: Hungary plans to boost infrastructure spending
BUDAPEST - "Hungary's conservative government is to boost infrastructural spending and accelerate privatisation in an effort to 'initiate growth in the near future', it said yesterday. In a significant change of tack, the cabinet decided at the weekend that infrastructure spending would also involve using private funds to boost investment in roads and telecommunications. The initiative, designed to quell public impatience after 2 years of deepening recession, coincides with growing speculation about the possible replacement of Mr Mihaly Kupa, the finance minister by a more expansionist minister... The extent of the social pain being caused by economic reforms was made all the more clear by unemployment figures showing more than 500,000 registered out of work in April."

FINANCIAL TIMES: Baltic states, Albania in EC link

"The EC yesterday widened economic links with its neighbours by signing 10-year trade and co-operation accords with Albania and the 3 Baltic states. The EC will scrap all discriminatory quotas against imports from the 4 countries, while they pledge not to use licensing or foreign exchange controls to impede imports from the EC."

BRAZIL

FINANCIAL TIMES: Sao Paulo to privatise services

SAO PAULO - "The government of Sao Paulo, Brazil's largest and richest state, is launching a programme to privatise its public services. Mr Luis Antonio Fleury, state governor, said he was seeking private funding for the maintenance and operation of existing services, as well as the construction of new public works on a concession basis. The first stages of the programme would include privatisation of the road network, water treatment plants, small energy generation projects, and expansion in the use of natural gas, the river transport system and inter-municipality bus services. The programme is open to foreign participation... Sao Paulo is the centre of Brazilian industry and has a GDP of about $170bn (£96bn) - 39% of the national total and more than that of Argentina. Its population is 31m. Explaining the decision to privatise, Mr Fleury said the state no longer had the capacity to invest in public works."

OECD ECONOMIES

Germany

FINANCIAL TIMES: Trade surplus soars to DM4.9bn

BONN - "Industry's efforts to soften the impact of looming strikes helped boost German exports to new records during March. Overseas sales of goods surged unexpectedly to DM63bn ($38.1bn) from DM55bn in February, and the federal trade surplus more than doubled to DM4.9bn, the statistical office said yesterday. Imports rose 10% to DM58bn... Meanwhile, the leadership of the IG Metall engineering union pressed on with plans for official strike action as 42,000 members staged warning stoppages, mainly around Nuremberg... A meeting of union leaders in Frankfurt this morning is expected to choose targets for the main official action."

Japan

HERALD TRIBUNE: Europeans call for more investment

TOKYO - "European companies on Monday called for new measures to increase European investment in Japan, warning that the current imbalance in 2-way flows could lead to political problems. A report by the European Business Community in Japan noted that investment by Japanese companies in Europe over the past 8 years was as much as 30 times higher than investment by European companies in Japan. As a result, European companies account for about 0.1% of total direct investment in Japan. But Japanese companies represent 5% of investment in the EC. The group called on Japan to expand lending by the Japan Development Bank to foreign companies, abolish formal curbs on foreign investment areas like, mining and agriculture and liberalize Japan's legal profession."

France

WALL STREET JOURNAL: A lean budget for ’93

PARIS - "Prime Minister Pierre Beregovoy told ministers that next year's budget will be another lean one, with the deficit limited to 2% of gross
domestic product and spending growth capped at 3.5%. The 1992 budget gap, estimated at 135bn French francs ($24bn), would equal 1.9% of France’s projected 4.106 trillion francs in GDP for the year. The government has said it expects 1993 GDP to rise 5.5% to 7.5 trillion francs. Mr Beregovoy set out the limits in letters outlining budget guidelines for the cabinet. The letters represent the early phase of the budget-planning process."