REUTER - WORLD NEWS SUMMARY

WASHINGTON - President Bill Clinton is pressing allies to act 'quickly and decisively' to force Bosnian Serbs to accept a peace accord they are resisting in defiance of international opinion and escalating US threats.

UNITED NATIONS - The Security Council proclaimed Sarajevo and several other besieged Moslem enclaves in Bosnia-Herzegovina as U.N.-monitored safe areas in an effort to protect them from Bosnian Serb attacks.

BELGRADE - Serbian-led Yugoslavia said it was slamming a supply blockade on Bosnian Serbs to force them to agree to peace after their defiant rejection of the U.N.-brokered plan to end the civil war in Bosnia.

LONDON - Bosnian Serb leader Radovan Karadzic said a move by Serbia-led Yugoslavia to blockade Serbs in Bosnia would not force them to agree to peace.

WASHINGTON - A second week of Middle East peace talks ended with some signs of progress between Israel and the Palestinians, Jordan and Lebanon but deadlock between Israel and Syria.

NICOSIA - Breakaway North Cyprus signalled a bitter standoff with Britain, warning London against any attempts to kidnap fugitive tycoon Asil Nadir.

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WORLD ECONOMY

HERALD TRIBUNE: Do we really need the G7?

WASHINGTON - "Bit by bit, a debate is beginning about the future management of the world economy. So far it has mostly focused on whether or not the G7 is doing a good job. (It isn't)... Following its ministerial meeting in Washington last week, US Treasury Secretary Lloyd Bentsen says the G7 is in better shape, and getting to grips with the world’s problems. But that’s largely a hoax... Despite its self-serving communiqués, the G7 has yet to engineer a major change of course in the world economy... Above all, the G7 has severely damaged its credibility by its repeated failure to bring about a successful conclusion to the Uruguay Round - the biggest single boost that could be given to world growth. And it is not the G7 but the OECD that is grappling with the most vital economic issue facing the industrialized countries - how to provide employment in a world where traditional jobs are being swept away by new technology and the abolition of economic frontiers... Former congressman Henry Reuss... proposes a merger of 5 'largely obsolete', overlapping institutions - the G7, the OECD, the Economic Commission for Europe, the Conference on Security Cooperation in Europe (Vienna, Prague) and the Council of Europe (Strasbourg)."

INTERNATIONAL TRADE

JAPAN TIMES (May 1st): OECD is to warn against US targets

"The OECD, in a communique to be issued at its annual ministerial meeting in June, will warn against the new US policy of setting numerical targets in trade talks, government sources said (last) Friday. The sources said, however, that the OECD communique will not contain a direct mention of the US trade policy, which has drawn fire from not only Japan but also many other industrialized and developing nations. Instead, the document will probably contain such a watered-down phrasing as 'the OECD nations express strong opposition to any steps that could violate the principles of free trade', the sources said... At the 3-day meeting of the OECD’s trade committee that ended Thursday (last week), Japan expressed deep
concern about the recent US policy of seeking to boost exports by setting numerical goals on a sector-to-sector basis, the sources said."

ASAHI EVENING NEWS: Mexico, Japan want trade forum

MEXICO CITY - "The foreign ministers of Japan and Mexico agreed Monday to work toward establishing a North Pacific economic forum to reflect Japanese views in the North American Free Trade Agreement (NAFTA). The agreement was reached between foreign ministers Kabun Muto and Fernando Solana Morales in response to Japanese calls to the United States, Mexico and Canada that NAFTA should not discriminate against third countries such as Japan, Japanese officials said."

REUTER: Clinton backs trade deals, opposition mounts

WASHINGTON - "President Bill Clinton pledged on Thursday to ‘go the extra mile’ to wrap up 7 years of world trade talks and put a high priority on the creation of the North American free trade zone. Trade friction with Europe has been on the rise in the early months of his administration - hindering progress in the world trade talks - and opposition has mounted to the NAFTA. But Clinton said the US would firmly push to conclude the controversial deals, granted that US trading partners offered equal market access... He said he wants to complete talks for a new GATT by December 15 and is prepared to ‘make extraordinary efforts’... Clinton said NAFTA was a ‘high priority’... But the Clinton strategy is running into opposition from Republicans on Capitol Hill, who previously were among the biggest supporters of the agreement. Republicans might reject NAFTA because the supplemental deals could turn the pact into a ‘disaster’, a leading Republican senator warned... The agreement is also facing renewed pressure in Canada, where a growing majority oppose the pact. A new poll released on Thursday said 58% of Canadians do not want to expand the present trade pact with the United States to include Mexico."

OECD ECONOMIES

United States

FINANCIAL TIMES: Productivity growth grinds to halt in first quarter

WASHINGTON - "The surge in productivity growth that marked early stages of the US recovery ground to a halt in the first quarter, the Labour Department reported yesterday. Productivity (output per hour) in all non-farm businesses declined at an annual rate of 0.1%, relative to the fourth quarter of last year - that quarter had shown a productivity growth of 4.1% compared to the previous one. Productivity grew by 3.3% over the whole year - the biggest jump in a decade."

HERALD TRIBUNE: A payroll premium weighed for health

WASHINGTON - "Clinton administration officials say that they are seriously considering asking employers to pay a percentage of their payrolls in premiums to help finance health care for all Americans. To raise more money, employees would have to pay a portion of their earnings. Employers would pay the premium to a regional health insurance purchasing group, which would buy coverage for hundreds of thousands or millions of people. The payroll premium would apply to all companies that take part in the purchasing pool, including many small businesses that do not now provide health benefits to their workers."

Japan

FINANCIAL TIMES: Current account surplus increases by 38%

TOKYO - "Japan’s current account surplus rose by 38% to a record $19.09bn in March compared with the year before. The government figures, published yesterday, are likely to fuel US pressure for measures to cut the surplus. The sharp rise largely reflects the recent appreciation of the yen against the dollar, which has increased the dollar value of Japanese exports."

Japan - Australia

AUSTRALIAN FINANCIAL REVIEW: Call to end ‘rice mafia’

TOKYO - "The leader of a new Japanese political movement and one of the world’s best-known management strategists, Mr Kenichi Ohmae, has proposed that Japan conclude a new treaty with Australia. The policy platform of
Mr Ohmae’s political group proposes that in the treaty, Australia should guarantee supply of rice to Japan in return for better access to the Japanese market and to Japanese capital."

Suisse

LA TRIBUNE: L’inflation remonte, comme le chômage

"Les prix à la consommation en Suisse ont progressé de 0,3% en avril, portant l’inflation sur un an à 3,8%, contre 3,6% annuels en mars. Cette poussée inflationniste traduit essentiellement la hausse des taxes sur le carburant, les électeurs helvétiques ayant accepté par référendum, le mois dernier, une augmentation de 20 centimes du litre d’essence, proposée par les autorités fédérales pour renflouer les finances de la confédération. Parallèlement, le chômage a continué de progresser, touchant désormais 5% de la population active, contre 4,9% en mars et 2,6% seulement en avril 1992."

IEA

REUTER: China to be net oil importer in 1992/93

LONDON - "China is likely to become a net oil importer this year or next if current production and demand trends continue, the IEA said on Thursday. The West’s oil ‘watchdog’ said China’s imports of crude oil and oil products exceeded exports by 100,000 barrels per day (bpd) in the fourth quarter of 1992. 'This is believed to be the first time China has been a net oil importer on a quarterly basis for more than 25 years’, it said in its{ Monthly Oil Market Report}. 'If the recent trends in production and domestic demand continue, China will become a net importer on an annual basis in 1993 or possibly 1994’, the report added. It said China was a net exporter of 153,000 bpd of crude and products in 1992 as a whole, compared with 336,000 bpd the previous year and 465,000 in 1990."