

.... September 20 Septembre 1990

.... LE TEMPS - Soleil présent dès le lever du
jour. Dans la journée, des nuages arriveront
et il se mettra à pleuvoir dans la soirée.

.... SG/PRB/D(90)150

REUTER - WORLD NEWS SUMMARY

WASHINGTON - The House of Representatives approved a \$283bn defence bill that would slash President George Bush's nuclear weapons requests and instead buy chemical warfare protection gear for US troops in Saudi Arabia.

LONDON - An Iraqi airliner carrying more than 400 Western women and children fleeing Iraqi-occupied Kuwait, arrived in London. Meanwhile in WASHINGTON, the US said it planned a final charter flight from Iraq and Kuwait on Saturday and urged all Americans who were permitted to leave to get aboard.

PRETORIA - President F.W. de Klerk has risked the future of reform talks with Nelson Mandela by throwing his weight behind a tough security crackdown to crush an orgy of violence in South Africa's black townships.

ABOUT THE GULF

THE GUARDIAN: UN agrees on air blockade of Iraq

NEW YORK - "The 5 permanent members of the UN Security Council agreed yesterday to extend and tighten the trade embargo against Iraq to include air transport. Iraq, meanwhile, announced that it would freeze the assets of 'unfriendly countries' which have impounded Kuwaiti or Iraqi assets in response to the annexation of Kuwait. The UN resolution, which is expected to be approved before the end of the week, calls on all UN members to close their air space to aircraft bound for Iraq, unless the planes submit to inspection to ensure that their cargo does not violate the trade embargo."

IMF WORLD ECONOMIC OUTLOOK

WALL STREET JOURNAL: Economy will slow

WASHINGTON - "The IMF sounded the death knell for the rapid global economic expansion of the 1980s and predicted a slower, shakier performance in the early 1990s. In its latest World Economic Outlook, the IMF attributed the slowdown to the crisis in the Middle East and a financial tightening by central banks around the world. IMF economists forecast world economic growth of 2% in 1990, down a full percentage point from last year's 3% growth. Industrial economies will slow to 2.6% growth in 1990 and 2.4% in 1991, down from 3.4% in 1989."

FINANCIAL TIMES: Third World debt to grow 9%

"Third World debt will expand by 9% this year and next, despite initiatives aimed at lowering the debt burdens of problem debtor countries, figures from the IMF show. The figures also show a greater share of this debt being owed to governments in the industrialised countries and a lower proportion being owed to banks. The trend is likely to focus attention on initiatives on official debt relief, such as that announced in Trinidad yesterday by the UK Chancellor."

REUTER: Oil price rises to split 1991 African growth

WASHINGTON - "African economies will grow by 3.25% in 1991, but higher oil prices from the Gulf crisis will mean a big split in the performance of fuel importers and exporters, the IMF forecast on Wednesday. The OUTLOOK, published ahead of the IMF and World Bank annual meetings beginning this week, said the Gulf crisis would spur windfall gains for African oil producers led by Nigeria. 'By contrast, higher oil prices would have a strong negative impact on the group of small low-income countries, many of which are in Africa'. The forecast African growth rate, although higher than 1990's projected 2.75%, would still leave per capita income growth weak, it noted."

FINANCIAL TIMES: Shrinking in E Europe predicted

"The economies of Eastern Europe will shrink by about 5 1/2% this year, while output will also contract in the Soviet Union, the IMF says. This will be followed by another year of negative growth in 1991, partly as a result of higher oil prices compounded by high energy use in the region. Economic stagnation is also predicted next year for the Soviet Union, as the benefits it receives from higher oil prices will be limited by lower oil production because of the deteriorating infrastructure in the domestic oil industry."

EUROPE DE L'EST

AFP: OCDE: Réunion sur les relations sociales

PARIS - "Un ministre soviétique et des responsables d'Europe de l'Est ont participé mercredi à Paris à une lère réunion avec des délégués de l'OCDE consacrée notamment à l'évolution nécessaire des relations du travail, a-t-on appris auprès de l'OCDE. M. Vladimir Cherbakov, président du comité d'Etat soviétique du travail et des questions sociales, participait à la réunion... Les discussions avec l'OCDE ont notamment porté sur la situation de l'emploi et les perspectives des relations du travail, des négociations collectives et de la concertation patronat-syndicats en Europe de l'Est."

FINANCIAL TIMES: W. companies plan large investments

BUDAPEST - "Large international companies are planning surprisingly heavy investments in Eastern Europe, but they are focusing on East Germany and Hungary, according to a survey released yesterday by the accountants DRT International. The 128 companies involved in the study, all with sales or assets exceeding \$1bn, expect to invest more than \$3bn in the region over the next 5 years, much of that in joint ventures."

DEBT INITIATIVE

REUTER: British Chancellor of Exchequer unveils plan

PORT OF SPAIN - "Britain's Chancellor of the Exchequer called on Western governments on Wednesday to write off two-thirds of loans totalling \$27.46bn to the world's poorest nations. In a speech to a meeting of Finance ministers from more than 40 Commonwealth nations, John Major said: 'I am convinced we need to do more to bridge the long-term financing gap faced by some of the very poorest debtors'. The so-called Paris club of Western creditor governments currently offers the poorest debtors, concentrated mainly in sub-Saharan Africa, the opportunity to cut their debt by up to one-third of the amount falling due for repayment in any one year."

EC

HERALD TRIBUNE: EC 'No' to farm proposal

BRUSSELS - "The EC Commission rejected on Wednesday a proposal from its farm commissioner, Ray MacSharry, to cut farming handouts, saying it did not go far enough to meet US demands for reductions in export subsidies. Mr. MacSharry had proposed that the European Community offer in GATT world trade talks to cut its multibillion dollar subsidy program for farmers by 30% during the period from 1986 to 1996, Mr. MacSharry's spokesman said. But at the weekly meeting of the Commission, which is responsible for policy proposals, a majority of the 17 commissioners felt the plan was too lenient on export subsidies."

STEEL

REUTER: Western world production fell in August

BRUSSELS - "Western world steel production fell 2.7% in August from a year earlier, influenced by sharp declines in the European Community and Brazil, the International Iron and Steel Institute said on Wednesday. The Brussels-based institute said steel production in the 35 countries covered by the survey -- which account for 97% of 1989 world steel production in the West -- dipped to 37.28 M tonnes from 38.31 M tonnes in August 1989."

OECD ECONOMIES

United States

FINANCIAL T.: Fed:Gulf crisis adds to recession risk

WASHINGTON - "Higher oil prices might add up to 2% to US consumer prices over the next year and reduce total output by 1%, Mr. Alan Greenspan, the chairman

of the Federal Reserve, said yesterday. He warned that the US economy faced 'new and substantial risks' as a result of the Gulf crisis. Testifying before the Joint Economic Committee of Congress, Mr. Greenspan said that while the US economy was growing 'very slowly', there was so far 'no evidence it is tilting' into recession."

France

LES ECHOS: 20 mesures pour faire baisser le chômage

"... La 'bataille pour l'emploi' s'annonce difficile: dans l'hypothèse d'un baril de pétrole à 25 dollars, le taux de croissance ne serait que de 2,7% en 1991 et l'emploi progresserait de 1,2% (170.000 créations contre 250.000 attendues cette année)... Le 3ème plan Rocard, qui combine comme les 2 premiers un volet économique et un volet social, comporte 20 mesures. A côté de celles qui se situent dans le droit fil des années précédentes (elles coûteront cette année entre 4 et 5 mrds FF au budget du Travail), d'autres sont plus novatrices: celles qui portent sur la pénurie de main-d'oeuvre qualifiée, sur le développement de la formation, et d'un volet PME-PMI substantiel."

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END-OF-TEXT