

POLITICAL, MILITARY AND GENERAL

FINN KRISTENSEN TO HEAD NEW MINISTRY OF PETROLEUM & ENERGY?

Arbeiderbladet understands that the Government's plans to merge the Ministry of Petroleum & Energy with the Ministry of Industry are almost ready, but will not be implemented before the

autumn when Mrs Brundtland is expected to undertake some ministerial changes. Minister of 'Petroleum & Energy Finn Kristensen looks set to head the new merged ministry. Two ministers,

Social Affairs Minister Tove Veierad and Industry Minister Ole Knapp, will almost certainly be

removed from the cabinet, while several others will probably be transferred to other ministerial posts. Arbeiderbladet reports that the controversial Labour Minister, Tove Strand

Gerhardsen, is Mrs Brundtland's biggest headache since she is the Government's only declared

opponent of Norwegian EC membership. Arbeiderbladet reports that the answer might be to transfer her to another ministry. Development Cooperation Minister Grete Faremo may also be

transferred, possibly either to the Justice Ministry or to the Labour Ministry if Ms Strand

Gerhardsen is transferred. There has also been speculation in the media about the fate of Fisheries Minister Oddrunn Pettersen and Justice Minister Kari Gjesteby, but Arbeiderbladet is

not so sure that they will be removed from office. (Arb pp. 1 & 8)

POLL SHOWS THAT PEOPLE STILL PREFER LABOUR GOVERNMENT

An opinion poll conducted by Opinion A/S shows that 39% of those polled say they would prefer

to have a Labour government. 23% said they wanted a government consisting of the anti-EC parties, i.e. the Centre, Christian People's and Socialist Left parties, and 17% supported

having a Conservative government. 16% were uncertain about which alternative they would prefer, while 5% gave other replies. (Aft p. 6)

YOUNG CONSERVATIVE LEADER CALLS ON MOTHER PARTY TO BE MORE INTREPID

The Young Conservatives will be holding their National Conference at Bolkesjø Hotel in Telemark this weekend. The main topics on their agenda are the EC and education policy.

Their present leader, Jan Tore Sanner, will be re-elected for a further 2-year term. In an

interview with Aftenposten today, Sanner says that he thinks that the Conservatives need to

profile themselves more strongly as an alternative to the Labour Party. He is disturbed that

the electorate as a whole seems to perceive the Socialist Left and Centre parties as the Labour government's foremost opponents. (Aft p. 6)

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NM ilh h SUMMARY OF TILLC HURWIHAW IIHQSS, FRIDAY 10 JUNE HWZ

NORWAY TO LOOK INTO QUESTION OF MILITARY EXPENDITURE IN DEVELOPING COUNTRIES

Commenting on Norwegian aid policy in the light of yesterday's Aftenposten article about high

military expenditure in developing countries, Development Cooperation Minister Grete Faremo

has said that it is high time that greater attention was paid to the use of national resources, especially military expenditure, in developing countries. She says that Norway will be taking up the case of Tanzania at a World Bank meeting on Monday. She stresses however that most countries in Africa, except for Angola, Ethiopia and Mozambique which are

engaged in civil wars, have comparatively low defence budgets and that the Norwegian authorities must accordingly take into consideration the security policies of their main partner countries. She is unwilling to place a ceiling on military expenditure as proposed by

Gu'IER Skaug and Jan Petersen, preferring rather to exert positive pressure on the countries

in question. She points out that although Tanzania has high military expenditure which Norway

wishes to discourage, it is also undergoing economic reorganisation and introducing a multi-party system which Norway supports. MFA State Secretary Jan Egeland says that Norway

must channel aid to activities designed to promote conflict-solving, peace work and democracy,

and he believes that such measures can help to reduce military activities. Norway is now

cutting out India and Pakistan as main partner countries because they enjoy a higher level of development. Norway has also cut aid to Sri Lanka by Kr 5 m (previously Kr 50 m) because of its lack of respect for human rights. (Aft p. 6)

NFT HANDS OVER FIRST PENGUTNE MISSILE TO US NAVY

Norsk Forsvarteknologi (NFT) yesterday handed over the first of 193 Penguin missiles ordered by the US Navy for their SEAHAWK helicopters. The Kr 1.6 bn contract is for the purchase of 193 missiles to be supplied between 1992 and 1996. NFT's Managing Director Jan Jorgensen is now hoping that their sales to the US will result in sales to other NATO countries. Some of the countries said to be interested include Turkey, Australia and Spain. (DN p. 8)

NORWEGIAN UNIFIL ACCOUNTS UNSATISFACTORY

The office of the Auditor General has strongly criticised the armed forces' 1989/90 UNIFIL accounts because they contain errors and lack adequate information. Apparently the armed forces reported the matter to the Oslo police who subsequently decided to drop the case. The commander of the forces' UN Office at Defence Command HQ, Colonel Odd Helge Olsen, says that they are taking the matter seriously. He points out that they are currently installing computerised accountancy systems and giving their accountants extra training in UN accountancy procedures. (Aft p. 11)

THE ECONOMY, TRADE AND INDUSTRY (26/6/92)

AKER BUYS INTO BRITISH PIPE-LAYING COMPANY ' I n;

Aker Engineering has bought a 45% stake in British oil and gas pipe-laying specialists Mentor Project Engineering Ltd. The move' is part of Aker's strategy to expand internationally. But it will also put Aker in a better position to compete for the many pipe-laying contracts which are in the offing in both the British and Norwegian sectors of the North Sea. (Aft p. 25; DN p. 7)

KVERNER STANDS TO RECEIVE KR 5 EN IN GERMAN SUBSIDIES

Kvarner could receive Kr 4-5 bn in subsidies from the German authorities if the company takes over the Warnow shipyard (see press summary of 7/4). Kvarner President Erik Tanseth says a decision will be made this summer as to whether or not Kvarner will actually take over operations at the former East German yard. The price to Kvarner will be a nominal Kr 4 m. Aftenposten reports that Germany is prepared to offer such high subsidies in order to: a) secure jobs; and b) build a strong shipbuilding industry. The subsidies will finance extensive reorganisation of the yard, and simultaneously cover possible losses accrued on current contracts. (Aft p. 21)

DYNO TO BUILD FACTORY IN SPAIN

Dyno is planning to build a factory in Pamplona in Northern Spain for the production of plastic petrol tanks. The plant will cost Dyno Kr 150 m. Production will start next year and turnover is expected to be Kr 300 m annually. The project is the result of two contracts which Dyno recently signed with Renault and Volkswagen/SEAT. (Aft p. 22; Arb p. 23)

MOELV WINS FRENCH CONTRACT

Hagglunds Moelv A/S has landed an important contract with French Matra Defence. Initially Hagglunds Moelv will develop prototypes for repair and drive units for cranes and winches connected with the Mistral weapon system on tanks. This work will be undertaken in 1993. Thereafter Moelv could go into production. (Aft p. 21)

OECD HALF-YEARLY REPORT: CONTINUED UNEMPLOYMENT DESPITE UPSWING

Despite an increase in exports for Norway's mainland industry and a reduced inflation rate of 2%, the current level of unemployment (5.8%) in Norway will only fall marginally next year, according to the latest half yearly report from the OECD. The report predicts a growth in GDP for mainland industry of 1.3% this year and 3.2% in 1993. (The Government anticipates 1.4% in 1992 and 2.5% up to 1996 in its Revised National Budget). The OECD expects private consumption to increase by 1.5% this year. The Government estimates a figure of 2.5%. (Aft p. 23; DN p. 16; Arb p. 8)

INFORMATION SECTION, BRITISH EMBASSY, TEL: (02)

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