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COMMONWEALTH PLANS NEW PRESSURE ON SOUTH AFRICA

By Brian Timms

CANBERRA, Australia, Reuter - A Commonwealth ministerial group may recommend tightening sanctions against South Africa by forming a new body to monitor and publicize international bank involvement in the country.

The proposal to increase public pressure on banks to stop lending to Pretoria is on the agenda of a meeting in Canberra from August 7-9 of the Commonwealth Committee of Foreign Ministers on Southern Africa, conference sources said.

It will be the fourth meeting of the committee -- made up of ministers from Canada, Australia, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe -- since it was formed in 1987 to press South Africa to abandon apartheid.

The sources said some members of the Commonwealth, a grouping of nearly 50 former British colonies, feel there is little scope for increasing trading sanctions against South Africa.

In addition, the European Community and the United States have over the past few weeks said they are against imposing new economic sanctions.

The ministers will instead turn to what conference sources said would be new "technical" ways of persuading banks not to allow rescheduling of Pretoria's debt, mostly owed to banks in Britain, France, the United States, Switzerland and West Germany.

Foreign bank creditors anticipate South Africa will seek a third loan rescheduling arrangement later this year.

The minister's recommendations, including formation of the new body to monitor banks' fiscal dealings with South Africa, will be put to the full Commonwealth Heads of Government meeting in Malaysia in October, conference sources said.

Malaysia is attending the Canberra meeting as an observer.

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