

Calendar of Economic Events—1994

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JANUARY

- 1 European Monetary Institute established in Frankfurt.
- 1 European Economic Area established creating world's largest free trade zone.
- 7 In France, the first meeting is held by newly formed monetary policy council—appointed to run newly-independent Bank of France.
- 10 Kazakhstan and Uzbekistan form economic union—first of CIS states to do so—followed six days later by Kirgizstan.
- 11 14 African franc zone states devalue currencies against French franc by 50 per cent following pressure from IMF and France—leads to price increases and industrial unrest.
- 13 Italian PM Carlo Ciampi resigns.
- 17 £234 million aid deal to Malaysia for Pergau dam revealed at public accounts committee.
- 17 PM gives evidence to Scott enquiry about export of arms to Iraq.
- 17 Major earthquake in Los Angeles causes \$30,000 million worth of damage.
- 25 President Clinton's first State of the Union speech includes pledges for health and welfare reform.
- 25 Representatives of GATT meet in Geneva.
- 27 General Strike in Spain in protest at labour market reforms.

FEBRUARY

- 1 World Economic Forum meets in Switzerland.
- 3 US lifts its trade embargo on Vietnam.
- 5 War in Bosnia continues with huge mortar bomb attack on Sarajevo killing 68+ people—NATO officials meet on 9th to authorise air strikes.
- 7 Bill Clinton presents Budget to Congress which includes large spending cuts.
- 8 Japan reduces income tax to try to stimulate its economy which is in most sustained recession since 1945.
- 14 John Major declares support for Russian participation in G7 on visit to Moscow.
- 16 EC fines 16 steel companies for anti-competition activities.
- 17 Germany cuts key discount rate by ½ per cent.
- 22 Wise men give optimistic assessment of economy, predicting growth of 2.7 per cent in 1994 and 1995.
- 24 President Yeltsin gives address to Duma stressing importance of continued radical economic restructuring.
- 25 Malaysia bans British companies from undertaking any contracts following press reports of bribery.
- 26 G7 meet in Kronberg, Germany, with predictions for further interest-rate cuts and inflation free growth.

MARCH

- 1 African finance ministers meet under auspices of the UNECA.
- 1 US price index figures rise cause worldwide bond and stock markets to fall sharply.
- 1 Sweden, Finland and Austria agree terms for entry to EU in January 1995.

- 1 British car production at its highest since 1974.
- 1 Georgia admitted to CIS.
- 2 Sharp upsurge in German money supply shakes world financial markets.
- 3 Trade war intensifies between Japan and US as US reactivates 'Super 301' allowing sanctions to be imposed on Japanese trade.
- 3 House of Lords rules that UK employment conditions for part-time workers contravene EU directives.
- 4 British Nuclear Fuels given the go-ahead to open Thorp reprocessing plant after 17-year battle.
- 4 John Major makes decision not to appoint a Trade Union leader onto the Bank of England's governing body, the first time this has occurred since 1946.
- 9 IRA mortar attack on Heathrow Airport—additional blasts on 11th and 13th.
- 10 Barclay's announce profits of £664 million—a turnaround from the £242 million loss the previous year.
- 13 Lower Saxony state elections in Germany show swing away from Christian Democrats.
- 14 G7 finance and employment ministers meet in Detroit to discuss strategies for combatting unemployment.
- 15 EU foreign ministers meet in Brussels.
- 16 UK unemployment figures at their lowest level since June 1992 but retail sales figures show a fall.
- 18 Asia Pacific Economic Cooperation Group finance ministers meet in Hawaii.
- 22 US short-term interest rates rise by ¼ per cent to 3.5 per cent.
- 22 IMF agrees to release aid to Russia providing it reduces inflation, improves tax collection, introduces new taxes and balances out extra spending by cutting back elsewhere.
- 23 EU and Ukraine sign economic cooperation agreement.
- 24 Mexican presidential candidate Luis Donaldo Colosio is assassinated causing stock and bond markets to fall sharply.
- 25 OPEC meets and agrees to retain same combined level of production ceiling.
- 27 Right wing Freedom Alliance wins Italian election.
- 28 G15 developing countries meet in New Delhi.
- 30 French PM scraps plans for a lower minimum wage for young people after widespread protests.
- 31 Lech Walesa uses Presidential veto to block bill to introduce wage controls in Poland.

APRIL

- 1 British Rail becomes decentralised after 50 years, forming Railtrack and 50 other independent companies.
- 1 VAT of 8 per cent is introduced on domestic fuel bills.
- 1 Hungary becomes first former Communist state to apply for membership of EU followed by Poland on the 8th.
- 5 Turkish lira devalued by 28 per cent in an attempt to relieve economic crisis.
- 6 Rwandan crisis begins with death of President in air crash.

- 8 Prime Minister of Japan, Morihiro Hosokawa, resigns amidst allegations of financial impropriety, he is replaced by Tsutomu Hata.
- 8 EU finance ministers and central bank governors meet in Athens.
- 13 Publication of minutes of Chancellor's meeting with Bank of England Governor reveal differences of opinion over interest-rate policy.
- 13 US and EU agree deal to liberalise public procurement rates.
- 14 Germany cuts interest rates by ¼ per cent—Switzerland, Austria, Belgium, Netherlands and Denmark follow suit.
- 14 French government survives vote of no confidence tabled in opposition to government's planned employment laws.
- 15 Underlying annual inflation rate for March lowest since 1975 at 2.4 per cent.
- 15 Final Act of Uruguay Round of GATT signed in Marrakech.
- 18 Another ¼ per cent rise in US short-term interest rates causes bonds and shares to fall sharply.
- 24 G7 finance ministers meet in Washington and express concern about instability of world financial markets.
- 25 IMF's Group of Ten and World Bank hold Spring meetings—conclude there is a need for fiscal stimulus of Germany and Japan.
- 25 IMF Group of Ten (G7 plus Belgium, Netherlands, Sweden and Switzerland) meet.
- 25 Interim Committee of IMF presses for stable exchange rates.
- 25 GDP figures for first quarter of 1994 reach their pre-recession level.
- 26 World Bank Development Committee indicates concern at uneven levels of growth within developing world.
- 28 Silvio Berlusconi to lead Italy's new coalition government after only four months in politics.
- 29 Kazakhstan, Kirgizstan and Uzbekistan form alternative union to CIS as CIS too pro-Russia.
- 29 US Federal Reserve intervenes in foreign exchange markets to support dollar.
- 29 PLO and Israel sign economic pact (Paris Economic Relations Pact).

MAY

- 2 Nelson Mandela and the ANC win South African general election signalling an end to apartheid.
- 2 Large scale killings continue in Rwanda.
- 2 Annual conference of Asian Development Bank doubles its capital base.
- 3 General Election in Netherlands.
- 4 Federal Reserve and other central banks try to prevent dollar's steep decline by buying currency.
- 4 Israel and PLO sign Palestinian self-rule agreement.
- 4 Kenneth Clarke presents Mais lecture on the theme of full employment.
- 5 President Mitterand and the Queen officially open the Channel Tunnel.
- 5 Local government elections in the UK bring strong surge away from the Conservative party in favour of both Labour and the Liberal Democrats.
- 6 Coffee prices show their highest rise for nine years in surge in commodity prices.
- 8 Industrial production in Russia falls by 25 per cent to add to its economic problems of rising unemployment, falling investment and rising debts.

- 9 John Patten announces slimmer National Curriculum which will concentrate more heavily on basic English and maths.
- 9 Western European Union meeting approves membership of central and eastern European countries as associate partners.
- 11 Bundesbank cut German leading interest rates by ½ per cent to 4.5 per cent—lowest level for five years.
- 11 IMF approves loan to Romania to be followed by World Bank and EU.
- 12 John Smith, leader of the Labour Party, dies, age 55.
- 12 US Senate approves Budget.
- 17 Lloyd's announce losses of £2.05 billion for 1991.
- 17 US raises discount rate for the first time in five years by ½ per cent.
- 18 Mexico joins OECD.
- 23 Increased UN sanctions on Haiti to attempt to force military to step down.
- 26 US renews China's most favoured nation status scrapping human rights conditions as basis for agreement.
- 29 Hungarian elections result in a Socialist Government.

JUNE

- 7 OECD meet and announce 60 point strategy to try to combat unemployment.
- 7 General Assembly of the Organisation of American States hold their annual meeting.
- 8 European Court of Justice rules that the UK is in breach of European employment law in companies' lack of consultation with workforces.
- 8 Lloyd's Bank bid for Cheltenham and Gloucester building society halted by High Court.
- 8 Japanese parliament finally agree budget after two months of infighting.
- 8 OECD to begin talks with South Korea, Czech Republic, Hungary, Poland and Slovakia about joining organisation.
- 8 Figures from Department of Employment show lowest proportion of UK union membership since 1946, at 31 per cent of employed workers.
- 9 European elections. Labour have best result in a national election since 1960s whilst Conservative party admit to 'very poor' performance. Across Europe in general governing parties do not fare well apart from in Germany and Italy.
- 9 Fears of Chinese economy overheating as industrial output over 17 per cent higher than previous year.
- 12 Austrians vote by 66 per cent in favour of joining EU in national referendum.
- 12 Further European Parliament elections show massive gains for Conservative parties in Germany, Italy and Spain.
- 13 Free trade agreement signed by Colombia, Mexico and Venezuela (G3).
- 14 Ibero-American summit held in Colombia with aim to increase economic cooperation between Spain, Portugal and Latin America.
- 14 President Clinton unveils welfare reforms which will make it compulsory for those not working to take up work or training of some sort.
- 15 British Rail signalworkers hold first 24-hour stoppage at the beginning of long-running dispute with Railtrack.

- 15 Kenneth Clarke rules out more expansionary economic policies favouring cuts in public spending to tax cuts in his Mansion House speech.
- 19 Michel Rocard resigns as leader of French Socialist Party after poor performance in European elections.
- 22 Derek Keys presents first Budget of new South African government, showing 'fiscal and financial discipline while attempting to meet the needs of the poor.' *Financial Times*, June 23.
- 24 European Council meets in Corfu with disagreements on appointment of Jacques Delors' successor.
- 25 Japanese PM resigns to be succeeded by Tomiichi Murayama.

JULY

- 1 Real introduced as new Brazilian currency.
- 1 Roman Herzog sworn in as German federal President.
- 4 International Division of the Bank of England is disbanded.
- 5 Derek Keys resigns as South African finance minister disrupting financial market.
- 5 TUC/Employment Policy Institute Conference to commemorate the 50th Anniversary of the Employment White Paper (addressed by Employment Secretary and Director General of the CBI, amongst others).
- 8 Kim Il Sung's death throws into disarray reconciliation negotiations between North and South Korea.
- 8 Leaders of G7 meet in Naples with communiqué stressing need to create jobs and boost growth.
- 10 G7 admit Russia as an equal partner finally signalling an end to the cold war.
- 13 50,000 Civil Service jobs to be scrapped over the next four years—largest shake up in decades.
- 14 18,000 Ministry of Defence jobs to be cut.
- 15 Luxembourg Prime Minister Jacques Santer chosen as new EU President.
- 18 Canadian provinces sign trade agreement to reduce barriers to internal trade.
- 18 EU sign free trade agreement with Estonia, Latvia and Lithuania.
- 19 Swan Hunter shipyard destined to close after Ministry of Defence give contract to Rosyth.
- 20 Cabinet reshuffle with Michael Portillo becoming Employment Secretary and Gillian Shepherd Education Secretary.
- 21 Tony Blair decisive winner of Labour leadership contest. John Prescott to be deputy leader.
- 22 UK growth at its highest level for five years.
- 22 World Trade Organisation to be based in Geneva.
- 22 ASEAN foreign ministers meet in Bangkok, Vietnam to be admitted as member.
- 24 Huge fire at Milford Haven oil refinery reduces UK's oil refining capability by 10 per cent for an indefinite period.
- 24 Association of Caribbean States created to aid economic and political cooperation with a view to eventual integration.
- 27 Bank of England celebrates its 300th anniversary.
- 31 US proceeds to implement trade sanctions against Japan.

AUGUST

- 3 Spanish fishing boats clash with British in Bay of Biscay in protest at overfishing by British, Irish and French fishermen.

- 5 UK industrial output at record levels.
- 8 Smallest increase in UK output prices since 1986 indicates continued steady growth of the economy.
- 8 Border between Israel and Jordan opened for first time in 46 years.
- 8 Large fall in coffee prices.
- 11 Interest rates rise in Italy and Sweden leading to turmoil in European financial markets.
- 11 Czech Republic able to pay back IMF loan years ahead of schedule.
- 15 German economics minister predicts economic growth of 2.5 per cent for 1994.
- 16 US short-term interest rates rise for the fifth time in 1994 from 3.5 to 4 per cent.
- 19 EU widens up duty free access of South African exports in an attempt to open up markets to the country.
- 22 Wim Kok to lead new three party coalition government in the Netherlands.
- 31 The IRA announces cessation of violence after 25 years of unrest in Northern Ireland.

SEPTEMBER

- 1 Germany's Christian Democratic Party in Germany reveal plans for multi-speed Europe, with France, Germany, Belgium, the Netherlands and Luxembourg forming a 'hard-core'.
- 4 Brazilian finance minister leaves post after admitting to hiding bad inflation figures.
- 5 Week-long international conference on population and development begins in Cairo.
- 6 World competitiveness report puts US at top, ahead of Japan for the first time in eight years.
- 6 Figures for UK manufacturing output at highest monthly level for four years.
- 7 Malaysia lifts its ban on UK government contracts.
- 9 CIS states sign agreement to strengthen economic links.
- 11 Coalition government formed in New Zealand—first time in its history.
- 12 UK base rates rise by ½ per cent to 5.75 per cent—first rise for five years.
- 14 UNCTAD report predicts world economic growth of 2.4 per cent in 1994.
- 18 Social Democratic Party wins Swedish elections signalling a move to the left.
- 19 US troops enter Haiti in attempt to oust military regime.
- 20 John Major visits South Africa—first UK Prime Minister to do so for 34 years.
- 21 Three-party coalition formed after election in Denmark.
- 22 Michael Portillo stands apart from EU policy in his refusal to take on board extension to paternity rights and employment representation on company decision-making bodies.
- 22 World Bank to cut its spending budget by £104 million.
- 22 Japan to reduce income tax and raise sales tax to try to bolster economy.
- 28 European Court of Justice rules that part-time workers should be entitled to pension rights.
- 28 Signal workers dispute ends after 19 days of 24 and 48 hour strikes.
- 28 Bill Clinton and Boris Yeltsin sign agreement for 'Partnership For Economic Progress' at US–Russia summit meeting in Washington.
- 28 Car ferry Estonia sinks in Baltic Sea with at least 900 people killed.

- 28 European Parliament rejects idea of à la carte Europe.
- 19 IMF and World Bank hold special 50th Anniversary conference in Madrid.
- 29 IMF offers loan of \$360 million to help Ukraine rebuild its economy.

OCTOBER

- 1 G7 finance ministers meeting in Madrid advocate increasing global reserves.
- 3 USA abandons its unilateral trade sanctions weapon 'Super 301' after accusations that it could threaten GATT negotiations.
- 4 High Court awards compensation to 3,000 Lloyds of London members.
- 4 IMF and World Bank meet in Madrid.
- 6 Labour Party vote in favour of Clause 4 (public ownership commitment).
- 11 Rouble falls by 21.5 per cent—largest ever one day fall.
- 11 Dr John C. Harsanyi, Dr John F. Nash and Dr Reinhard Selten win Nobel prize for economics for their work in 'game theory' field.
- 11 Ukrainian radical budget includes mass privatisation, agricultural reforms, tax cuts and reduction in state subsidies to industry.
- 12 Underlying rate of inflation in UK lowest for 27 years.
- 12 UN Secretary General expresses concern over the organisation's financial situation.
- 14 John Major closes Conservative conference by pledging sustained economic recovery and low inflation.
- 16 Finnish electorate votes in favour of joining EU.
- 16 Christian Democrats win fourth term in Germany but with vastly reduced majority.
- 18 Rover to create 1,450 new jobs as demand increases.
- 18 EU signs agreement with South Africa giving it preferential access to EU markets.
- 19 Treasury announces plans to axe a quarter of its senior staff.
- 19 GATT upholds EU complaint against US duties on steel imports.
- 20 Russian cabinet approve austere budget after criticism from IMF of its spendthrift policies.
- 21 EU finance ministers agree to raise funding for 1995 from 1.2–1.21 per cent.
- 24 Social Justice Commission sets out its planned welfare state reforms.

NOVEMBER

- 1 Bank of England inflation report taken as an indication of further interest-rate rises.
- 1 Output at Ford's Halewood plant cut because of weak UK market.
- 2 Dollar sinks to Y96.05—post-war low.
- 3 Cabinet decides to scrap Post Office privatisation plans.
- 3 Tiny Rowland to leave Lonrho Board after 33 years.
- 4 Brittany Ferries last ferry company to ban livestock exports from UK to France.
- 6 Nissan becomes the first Japanese company to invest over £1 billion in Europe as it increases commitment to UK production.
- 6 Tony Blair becomes the first Labour Party leader to address the CBI conference.
- 9 US Republican Party have most sweeping mid-term victory in 50 years.

- 12 Huge anti-government demonstrations held in Rome.
- 13 UK's biggest ever trade mission to India to boost the already £1 billion worth of annual business.
- 13 Sweden votes in favour of joining EU.
- 14 National Lottery tickets go on sale for the first time in the UK ready for the draw on the 19th.
- 15 US short-term interest rates rise by ¼ per cent.
- 15 European Commission criticised for lax financial management by Court of Auditors.
- 16 Biggest monthly drop in claimant unemployment in UK since 1988.
- 17 Albert Reynolds resigns as Irish PM.
- 17 Chinese inflation remains very high at 27.7 per cent despite measures to try to curb it.
- 17 Sir Ron Dearing announces widespread overhaul of GNVQs.
- 20 Cedric Brown, British Gas Chief Executive, receives 75 per cent pay rise.
- 22 Third year of government league tables for GCSE exams show an improvement and strong reflection of social background in results.
- 22 Dow Jones Industrial Average drops by 91 points creating chaos in world markets over next few days.
- 24 Professors David Currie and Wynne Godley appointed for a further year as 'wise men', other four reappointed for two years.
- 28 John Major narrowly wins Commons vote on EU contributions but withdraws whip from seven MPs reducing the Conservative Party's parliamentary majority.
- 28 Norwegian electorate vote against joining EU.
- 29 Kenneth Clarke presents Budget designed to create jobs, cut public spending and borrowing and retain low inflation rate to avoid boom and bust cycle of previous recoveries. Major points include:—
 - * government borrowing forecast to fall from £30 billion to £21.5 billion in 1995–6, £13 billion in 1996–7 and £5 billion in 1997–8.
 - * Employers to be given National Insurance rebates for employing long-term unemployed.
 - * Government spending to be reduced by:—£7.2 billion in 1995–6, £9 billion in 1996–7 and £9.8 billion in 1998–8.
 - * State support for housing benefit to be reduced.
 - * Compensation package to alleviate financial problems created by policy to charge VAT on fuel.
- 30 Shops in the UK allowed to open 24 hours a day.

DECEMBER

- 1 US Senate vote in favour of Uruguay Round allowing most liberal world trade deal in history.
- 5 EU approves loan of £67 million to Ukraine.
- 6 Lloyd Bentsen resigns as US Treasury Secretary to be replaced by Robert Rubin.
- 6 Government defeated on increase in VAT on fuel.
- 7 UK interest rates rise by ½ per cent.
- 8 Extra tax put on petrol, tobacco and alcohol to make up £1 billion lost by defeat of VAT on fuel proposals.
- 8 UK trade deficit lowest for ten years.
- 9 EU summit overshadowed by failure to stop Bosnian conflict but cooperation in idea of creation of advisory board to enhance Community's competitiveness.
- 12 TUC reveals blueprint for employee rights which it is thought will form basis of Labour manifesto—includes creation of workplace committees.

- 12 24-hour Post Office strike branded failure by bosses as they claim only 100 main Post Offices remain closed.
- 15 Record breaking swing to Labour Party in Dudley by-election.
- 15 John Bruton becomes Irish premier.
- 20 Mexican peso devalued.
- 20 Japan ends expansionary fiscal stance by presenting neutral budget.
- 21 The receivers are called in at South Thames TEC.
- 21 Norman Blacknell is appointed to replace Sarah Hogg as head of No. 10 policy unit.
- 22 UK current account balance of payments in surplus for first time in seven years.
- 22 Silvio Berlusconi resigns as Italian PM.
- 22 First Channel Tunnel passenger service starts—18 months behind schedule.
- 27 Mexican peso reaches record low levels.
- 28 In his New Year message to the Tory Party, John Major promises future income tax cuts.