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## NEWS DIGEST

### Turkey seeks loan from IMF

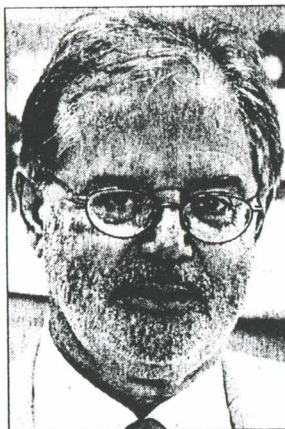
Turkey yesterday announced it was seeking an additional loan from the International Monetary Fund to help cope with a crisis of confidence in its financial markets.

Turkish shares initially fell more than 7 per cent amid continuing fears of a liquidity squeeze, which was triggered by concerns about the banking system as it undergoes restructuring.

The market recovered most of its losses after Selcuk Demiralp, the Treasury under-secretary, said Turkey was in talks with the IMF to secure a Supplementary Reserve Facility with the IMF. Analysts say it could be worth about \$3bn.

Analysts agree that economic fundamentals do not justify the panic which, since November 17, has driven the already volatile stock market to its lowest level since early December 1999 and pushed bond yields up from 40 per cent to about 60 per cent.

**Leyla Boulton, Ankara World Stocks, Page 42**



**Pantelis Sfinias: faced lawsuits**

Sfinias, 55, narrowly avoided being arrested on charges of criminal negligence after the shipping accident but he came under mounting pressure as investigations into the sinking proceeded.

Survivors and relatives of people who died in the accident have filed lawsuits seeking billions of drachmas in compensation, raising uncertainty about the company's future.

**Kerin Hope, Athens**

### Adviser slams Russia's leaders

The Russian government has failed to take advantage of the positive economic environment, Andrei Illarionov, a special economic adviser to President Vladimir Putin, said yesterday.

He said that although the Russian economy was forecast to grow at 7 per cent this year – the best figure in the past 30 years – the rate of growth was unsatisfactory compared with other emerging markets and given high commodity prices.

He said the combination of high commodity prices and the impact of the rouble devaluation, which boosted local producers of import substitutes, could have led to faster economic growth.

He added that the Russian economy now risks being less competitive in the longer term as extra revenues from high commodity prices push the domestic currency up, slowing growth.

"Unfortunately, the

government did not manage to deal with the unique conditions we had this year," he said.

**Arkady Ostrovsky, Moscow**

### No end in sight to Kurils dispute

Russia and Japan are unlikely to reach an agreement over the future of a series of disputed islands between the two countries by the end of this year, a senior Russian diplomat indicated yesterday.

His comments followed confirmation that Mr Yoshiro Mori, the Japanese prime minister, was now unlikely to visit Russia before the first quarter of 2001, rather than by the end of this year as previously discussed.

In 1998 the Japanese and Russian heads of state agreed to try to find a solution to the ownership of the Kurils, or Northern Territories, by the end of 2000, but a recent acceleration in talks following President Vladimir Putin's trip to Japan this summer has so far failed to lead to agreement.

**Andrew Jack, Moscow**