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G-15 COUNTRIES SHOULD INTEGRATE ECONOMIES, SAYS PM

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KUALA LUMPUR, June 8 (Bernama) -- Prime Minister (Datuk Seri Dr Mahathir Mohamad) today suggested that the group of 15 countries (G-15), comprising developing nations of the South, explore the possibility of linking up with East Asian economies and shift from depending on the North for aid, technology transfer and management expertise.

He said the time was now right for the South countries to take control of their destiny rather than continue to submit to the dictates of others.

"I am confident specific niches can be found to integrate our economies," he said at the opening of the first G-15 Expert Group Meeting on the Exchange of Information on National Economic Policies of Member Countries here.

He added that the vast diversity in the levels of development of South countries must be viewed as an opportunity to establish better links as managing their economies as a group would create greater complementarities in production, trade and investment.

While saying that efforts must be made by member countries to increase South-South linkages and cooperation, Dr Mahathir said the South would have to look within itself for the creativity and potential that could be harnessed to accelerate development and growth.

He added that there was much that South countries could offer each other in terms of trade and investment opportunities, given the fact that total population of G-15 member countries constituted a market potential of 1.6 billion consumers.

Dr Mahathir said although these countries produce similar goods and become competitors to each other, there are also many things that can be usefully traded with each other.

Citing examples, he said some countries of the South like India and some Latin American countries are technologically quite advanced and offer opportunities for collaboration.

"Others may have developed expertise in trading and services activities and yet others have large natural resource endowments or simply large working populations or domestic markets.

"All these strategies can form a useful base for greater trading, investment and other economic linkages in the near future, if only we are willing to get together more often to talk and identify these areas of mutual benefit and act on them," Dr Mahathir also said.

The Prime Minister said to nurture such linkages, all nations of the South must put their economies on a sound footing as political and economic stability would facilitate, not only the retention of domestic savings and investments, but also attract the inflow of foreign investments.

He added that without such predictable stability, economic and social pursuits would focus on speculative activities which produced no long term benefit.

Dr Mahathir also said that it is this realisation that has motivated the establishment of the G-15 Expert Group Meeting for the Exchange of Information on National Economic Policies of Member Countries (EINEP).

He said technocrats responsible for national economic planning would have an opportunity at this meeting to obtain first-hand information and a good understanding of member countries' economies and their economic policies.

"Potentials for enhancing South-South economic cooperation can be identified and made use of," he said adding that for the short term this meeting hoped to achieve modest objectives.--More

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Basically, he said the EINEP would provide exposure for national economic policies, an update on important economic information, develop a network of information for formulating strategic actions in North-South relationships, provide a channel to resolve controversial issues and strengthen the working relationships between economic planners.

To provide the initial impetus for the deliberations at the meeting, Dr Mahathir highlighted some of Malaysia's major experiences, to start early discussions.

He said Malaysia had demonstrated, for the past two decades, that "growth with equity" were compatible objectives that have brought some measurable success to the country.

He said Malaysia's growth strategy was to focus on balanced development and it had also tide over the world recession during the mid eighties by adopting policies which emphasised frugality, efficiencies and increased productivity, market oriented programmes, sound redistribution policies and investment in human resources.

Maintaining price stability had been a formidable task for many developing countries, Dr Mahathir said, as such it was really a challenge to explore the possibilities of pursuing high growth with low inflation.

He also said Malaysia had been successful in implementing policies on privatisation, deregulation and liberalisation with the emergence of a strong and well distributed entrepreneurial private sector.

"Fortunately, we have not made too many mistakes, as evident by the success of privatised agencies which have shown significant improvement in terms of efficiency and profitability.

"We have gained much experience in implementing this policy, which has been translated into a positive instrument of economic management of the nation and we are ready to share this valuable experience with other G-15 member countries," he added.

Dr Mahathir was hopeful this meeting would jump start a regular series of such meetings among the economic planners of G-15 member countries and that they would be successful in formulating and translating proposals into action programmes for adoption and implementation by developing countries.

More importantly, he felt better economic relationship could be established among the G-15 countries in order to chart their future destiny.

--Bernama