

04/11/1997

Boost trade, investment relations, urges Suharto

THE Group of 15 (G-15) has yet to attain its full potential, particularly in the area of trade and investment, despite realising many successes, said President Suharto of Indonesia.

He said in view of rapid globalisation and liberalisation of the world economy today, it is imperative that G-15 devotes more attention to the promotion and intensification of intra-G-15 trade and investment cooperation.

"We cannot escape from the effects of the world economy, especially the sharpening of international competition.

"It is time for us to muster the synergy that is inherent to the combinations of our strengths and resources, our leading roles and positions in our respective regions as well as technological capacities we have individually developed," he said at the Seventh Summit of the G-15 in Kuala Lumpur yesterday.

In this respect, Suharto lauded Prime Minister Datuk Seri Dr Mahathir Mohamad's initiative in convening the inaugural meeting of trade and economic ministers of the G-15 prior to the summit.

"We need to enhance G-15 coordination in various international forums, especially in dealing with global issues that are of importance to developing countries," he said, describing G-15 coordination in the first ministerial meeting of the World Trade Organisation in Singapore last December as encouraging.

Since the first summit of the G-15 in Kuala Lumpur in 1990, Suharto said member countries have constantly advocated a solution to the debt problem that entails a reduction of debt stock to a level that will allow resumption of development.

In this regard, he said Indonesia supports the "Heavily Indebted Poor Countries" initiatives of the International Monetary Fund and the World Bank as they will help some poor countries escape the vicious cycle of indebtedness and take to the development road.

On globalisation, Suharto said while developing economies have fully benefited from the open market concept, a great number of them continue to be marginalised.

"Even developing economies that have attained some measure of dynamism are not immune to the perils of globalisation and liberalisation.

"The sharp fluctuations of international financial flows and currency trading have crushed the economic and social achievements of developing countries.

"Hard work, diligence and sacrifices over several decades were wiped out overnight," he said, adding that the many have suffered bitter experiences as a result of the currency turmoil.

In view of this, he said G-15 members need to cooperate effectively to stabilise money markets and find an immediate solution to the adverse impact of sharp currency fluctuations on member countries' development.

Suharto also said the summit's agenda should be reviewed so that Heads of State or Government will discuss strategic policy issues and leave technical and administrative discussions to personal representatives.

"We may also need to minimise as much as possible the routine agenda so as to encourage leaders to attend the summit," he said, noting that the attendance of Heads of State or Government at summit meetings is still below expectations.

In view of this regrettable situation, he said it is proper and understandable if member countries entertain the question of whether the annual schedule of the G-15 summit be maintained or reviewed.

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