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Chile supports PM's call for forex trade rules

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CHILE is the latest country to come out in support of Malaysia's call for regulations to govern speculative currency trading.

Its Economics Minister Alvaro Garcia said Prime Minister Datuk Seri Dr Mahathir Mohamad's call for greater transparency in currency trading "is a step in the right direction", taking into account the current economic turmoil in many countries.

"I think the more transparency there is, the better. There's very little information about sources of capital ... that's why I think greater regulation is needed," he told reporters during the lunch break of the First G-15 Meeting of Trade and Economic Ministers in Kuala Lumpur yesterday.

Garcia said the trade and economic ministers had discussed the meltdown of the global stock market.

He said the issue merited more discussion, adding that there is clear "understanding" for goods and services trading but none for finances.

"(Chile) strongly believe that we should avoid the entrance of short-term financial capitals.

"We have taken measures to do that," he said.

He said while Chile welcomed foreign investors, it could not afford any room for speculation, "without creating trouble to our economy."

On Thursday, Zimbabwe Permanent Representative to the UN Tichaona J.B. Jokonya said the G-15 Summit is expected to issue a "presidential" statement on the currency volatility and manipulation.

He said moves for greater transparency in currency trading are expected to gain support at the summit.

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