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G15-Transparency

CHILE SUPPORTS DR MAHATHIR'S STAND ON CURRENCY ISSUE

KUALA LUMPUR, Oct 31 (Bernama) -- Chile supports Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad's stand that there should be more transparency in currency trading.

Chilean Economics Minister Alvaro Garcia said today the current economic turmoil in many countries showed that making currency trading more transparent was a step towards the right direction.

"I think the more transparency there is, the better. There's very little information about sources of capital and that's why I think greater regulation is needed," he told reporters during lunch break at the First G15 Meeting of Trade and Economic Ministers here.

Asked if there should be new rules to control volatility, Garcia said the issue merited more discussion because while there was clear "understanding" for goods and services trading, there was none for finances.

"The enforcing of the regulation can help promote the development of our countries," he said.

He said the economic ministers had discussed this morning the meltdown of stock markets all over the world.

"We Chileans 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 room for speculation, "without creating big trouble in our economy".

G15 leaders meeting here next week are expected to issue a special statement on the currency turmoil that has affected two members of the grouping, Malaysia and Indonesia, along with several other countries. --
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