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Fresh impetus for a stronger group

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THE Group of Fifteen attempts to bring together the most dynamic economies of the South. Unfortunately, there has never been a time when all 15 Heads of Government have actually attended the summit.

The aspirations of the group are to promote greater South-South co-operation, exploit mutual complementarities and provide a stronger and united voice for developing countries.

G-15 groups together Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe. The latest member is Kenya.

Prime Minister Datuk Seri Dr Mahathir Mohamad said at the the opening ceremony that the summit should re-dedicate itself to the cause of South-South co-operation.

"We can choose to either make use of this potential or let it go to waste. What we cannot afford is to be complacent in this fast globalising world.

"This meeting provides a timely opportunity to take stock. We need to redress our inadequacies. We need to consolidate our potentials," he said.

At the Seventh Summit of the G-15 the leaders are in agreement in many areas. They agree with Dr Mahathir that there needs to be some form of transparency and regulation of the currency market.

In a special statement issued on Monday, the group asked the International Monetary Fund (IMF) and the World Bank to study the situation and to make the markets more open and transparent.

The statement also asked their Finance Ministers, governors of central banks and other relevant authorities to consider the situation and make recommendations.

At the end of the summit, the Heads of Government have decided to convene a meeting of their Finance Ministers and central bank governors next month to draft regulations for currency trading which would then be recommended to the IMF.

They agree that globalisation and trade liberalisation should not be at the expense of developing countries. The G-15 countries are also disappointed with the World Trade Organisation (WTO).

Said President Robert Mugabe of Zimbabwe: "The WTO had brought much hope for a fair and equitable trading system. But, the developing world today finds itself confronted by new conditionalities on labour standards, environmental questions and other restrictive measures which negate any potential benefits from globalisation."

Essentially, the G-15 has the most potential in co-operation in trade and economic matters. This year will be the first time the Trade and Economic Ministers of the G-15 have met formally. The idea was a suggestion from our International Trade and Industry Minister Datuk Seri Rafidah Aziz.

This is probably the best forum for developing countries to solidify a common stand for discussion with the WTO.

The members are united in rejecting extraneous issues in the WTO such as social clause and labour standards and are for the progressive liberalisation of trade based on individual country's capability.

It is hoped that with the inclusion of Trade and Economic Ministers and their work, the G-15 may move further in their goal of greater South-South co-operation.

There are 21 projects under the G-15 since 1990; of these only three are showing any progress. Two of them are projects that Malaysia has responsibility for.

The first is the South Investment Trade and Technology Data Exchange Centre (Sittdec). Sittdec has been privatised to a consortium, Sibexlink Sdn Bhd, and is headed by Bank Industri Malaysia Bhd, Telekom Malaysia Bhd and Malaysian South-South Corporation Bhd.

Sittdec currently has a database of 5,000 companies in the region.

The second project is the bilateral payment agreements (BPAs). Malaysia has 25 BPAs with developing countries. BPAs facilitate trade between these countries and Malaysia by making payments through each other's central banks.

The third is India's gene banks for medicinal and aromatic plants. The purpose of the gene bank is to work towards medical self-sufficiency through the study of indigenous plants and herbs.

There is also a third project that Malaysia is responsible for, which is the Centre of Educational Excellence which was agreed to last year in Harare.

Malaysia will provide education and training for people from developing countries.

After the India fiasco, it was decided that in order to have a quorum, there had to be at least five Heads of State and three deputies. The issue of a quorum haunts every host, every year.

Usually absent are the countries from South America. Mexico has only attended the 1991 summit. Brazil and Chile have attended two summits each in total.

Indonesian President Suharto said while the number of leaders attending the summit had always met the requirement for a quorum, their attendance was still below expectation.

"This has indeed given all of us cause for concern particularly the host ... it is timely and appropriate for us to honestly ask ourselves why this situation persists," he said.

Since its formation, the grouping has discussed the need for a North-South dialogue. It has still not materialised.

Said President Alberto Fujimori of Peru: "The North-South dialogue must be revitalised so that it could take into account the needs of developing countries and enable these countries to respond to the challenges of globalisation."

The North or the countries of the G-7 will never take the G-15 seriously, until the members of the G-15 take the grouping seriously.

Given that Asean is now 30 years old, it now has many countries, developed and developing, who are clamouring to become its dialogue partners.

If the G-15 wishes to be more than just a symbol of a united South, it will require the commitment and political will of all its members, not just Dr Mahathir and the other core members.

Malaysia has done more for South-South co-operation than the G-15 has collectively. Under the Malaysia Technical Co-operation Programme (MTCP), Malaysia has offered assistance and training to developing countries such as Uruguay, Cameroon, Guinea and many others.

The MTCP has helped Zimbabwe and Tanzania set up operations similar to Mida and Felda schemes. It has also provided co-operation in areas like diplomacy, public administration, and agriculture from both our public and private sectors.

Dr Mahathir announced at the end of the meeting that the next summit would be held in Cairo in May next year and that the leaders may meet more frequently due to pressing economic issues and the rapid changes in world

trade.

It is hoped that more meetings between Trade and Economic Ministers, Finance Ministers and speedier and more frequent meeting of the Heads of Government, will provide the impetus for a more dynamic and committed G-15 for the future.

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