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LEAD G15-Opening

G15 CALLS FOR REGULATED CURRENCY TRADING, FAIR TRADE RULES

KUALA LUMPUR, Nov 3 (Bernama) -- G15 leaders kicked off their seventh summit here calling for regulated currency trading and fair rules in global trade liberalisation which threatens to undermine their developing economies.

Summit host Prime Minister Datuk Seri Dr Mahathir Mohamad as expected took up the currency trading issue in his opening speech describing the present system as unethical and unfair.

Zimbabwe President Robert Mugabe, Peru President Alberto Fujimori and India Vice-President Krishan Kant, who represented their respective continents, also addressed the two issues at the start of the three-day summit.

"The deliberate devaluation of the currency of a country by currency traders purely for profit is a serious denial of the rights of independent nations," said Dr Mahathir.

The Malaysian leader, who is the most vocal advocate for currency trading to be regulated, said a world trading system could not rely entirely on market forces and it was time that fair rules be established.

He said if globalisation was to be accepted, there must be a fair system of trading, be it in goods and services, shares or currency.

Relating the painful experience of Malaysia and other Southeast Asian countries with currency speculators, Dr Mahathir said this had negated years of hardwork and sacrifices by developing countries.

Kant said the currency turmoil which hit Southeast Asia had highlighted the need for developing countries to insulate themselves from the whims of market sentiment and exchange rate fluctuations in major currencies.

He said given the importance of private capital flows for development and the growing integration of developing countries in international financial markets, the currency volatility called for a new approach to regional and international cooperation for their management.

"G15 could work to evolve suitable strategies and consult with each other," he added.

Fujimori said there was a need to create more international mechanism in the wake of the recent financial and stock market crisis for developing countries to efficiently deal with the problem of monetary instability.

Speaking in Spanish, he said events occurring in the capital market recently had shown the growing interdependence of the world's economy.

On trade globalisation, Dr Mahathir, who is one of the driving forces behind the South forum, said: "While we should accept the removal of barriers to trade between nations, we should also strive for order in the conduct of trade and commerce for the whole world."

He also drew the attention of member countries to the disturbing trends that had emerged since the last World Trade Organisation (WTO) ministerial meeting in Singapore that could be detrimental to developing nations.

Besides the threat of unilateral action, denial of developing status and little liberalisation in textiles, garments and commodities, developing countries may be caught in the emergence of anti-dumping actions and imbalance in services trade, he said.

Dr Mahathir also urged South countries not to be complacent and look to new horizon by venturing into non-traditional markets and forge multi-faceted partnerships among themselves.

Mugabe echoed the need to intensify South-South cooperation warning

that Africa, which has 33 of the world's 48 least developed countries, faced a real danger of being marginalised in the globalisation and trade liberalisation process.

"For most of the developing countries, the gains of globalisation and trade liberalisation are yet to be felt," he said.

Kant said future North-South contacts must reflect the credit developing countries had earned by "telescoping structural adjustments and liberalisation within a truly historic time frame and proportions."

"The developed countries must themselves set an example of genuine liberalisation particularly in sectors of export interest to developing countries such as in textiles, agriculture, steel, electronics and information services," he said.

Kant spoke on issues of resources and obstacles in accessing high technologies by developing countries.

Fujimori also stressed on the need to revitalise North-South dialogue so that it could take into account the requirements of developing countries and enable countries in the South to respond to the challenges of globalisation.

Fujimori said the priority for the developing nations was to gain more market access in the industrialised countries.

"We must increase deeper international cooperation as it is important for the prosperity for our countries," he said.

The summit is also attended by President Suharto of Indonesia, President Hosni Mubarak of Egypt, President Liamine Zeroual of Algeria, Vice-President Dr Carlos Ruckauf of Argentina and Deputy Prime Minister Dr Seymour Mullings of Jamaica.

The G15 comprises Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe. Kenya joins the grouping as its 16th member at this summit. --
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