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Mahathir-G15

MAHATHIR CALLS FOR FAIR RULES IN CURRENCY AND GLOBAL TRADE

KUALA LUMPUR, Nov 3 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad as expected continued his fight against unregulated currency trading, saying it is time to draw up fair rules for currency and global trade when opening the seventh G15 summit here today.

" 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," he said.

Describing the present system of currency trading as unethical and unfair to the countries attacked, 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.

Dr Mahathir said market forces were by themselves exploitative and cannot determine that the rules and regulations would be fair to all.

"Thus, a few bottles of whisky were the price paid for Manhattan Island and glass beads were traded for valuable goods and treasures belonging to the indigenous people, the simple and trusting natives," he said.

Relating the painful experience of Malaysia and other Southeast Asian countries with currency speculators, Dr Mahathir said while currency devaluation may be caused by certain weaknesses of a country's economy, the truth was that currencies weakened only if currency traders sold them for US dollars.

He said currency depreciated due to repeated selling by speculators who then buy them back when it had sufficiently lost its value to rake in profits.

The target must be the currency of countries with a degree of prosperity and this negated years of hardwork and sacrifices, he said.

On the other hand, the currency traders make billions in profit and pay absolutely no taxes to the countries they impoverish and make profits from, he said.

The summit is also attended by President Suharto of Indonesia, President Robert Mugabe of Zimbabwe, President Hosni Mubarak of Egypt, President Alberto Fujimori of Peru, President Liamine Zeroual of Algeria, Vice-President Dr Carlos Ruckauf of Argentina, Vice-President Krishan Kant of India 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 here.

Dr Mahathir, who is one of the driving forces behind the South forum, 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 also said direct foreign investments could damage share markets of developing countries because foreign investors simply dumped shares for high capital gains after pushing up the prices to ridiculously high levels.

" It is far better for us to invest in productive capacities on our own and other developing countries than to depend on hot money inflow into our country," he said.

In keeping with Malaysia's "prosper thy neighbour" policy, Dr Mahathir hoped that South countries would make use of Malaysia's Multimedia Super Corridor, a test-bed for information technology that is being developed along a 15km by 50km corridor south of the Malaysian capital.

He 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.

The G15, he said, was unique as it was one of the few economic groupings of developing countries which was trans-regional and among its members were some of the most dynamic developing economics in the world.

" We can choose either to make use of this potential or let it go to waste. We need to consolidate our potentials. Let us not allow the challenges that we face cloud our visions for tomorrow as we advance into the new millennium," he said.

He also welcomed Kenya into the grouping as its 16th member. -- BERNAMA
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