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Move to regulate money trading (HL)

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KUALA LUMPUR, Wed. - Leaders of G-15 countries emerged from their seventh summit today announcing that their Finance Ministers and central bank governors would meet here three weeks from now to propose rules and regulations on currency trading.

This was one of the key decisions taken at the three-day G-15 Summit which was dominated by the currency problems, even though not all member countries have been affected.

The summit ended with the leaders deciding to meet more frequently, thus changing the annual structure of the gathering which started with the Kuala Lumpur Summit in 1990.

The next summit is in Egypt in May where leaders will review global economic changes, including the currency situation.

Prime Minister Datuk Seri Dr Mahathir Mohamad, the summit chairman, described the decisions as "very important" and that the summit had seen renewed commitments in the grouping.

"It was a great success," Dr Mahathir said, flanked by President Suharto of Indonesia and President Hosni Mubarak of Egypt at a Press conference attended by the summitters.

He said the G-15 Finance Ministers and central bank governors would draw up proposals which would be forwarded, through G-15 leaders, to the International Monetary Fund.

The leaders wanted the meeting to coincide with the Asean Finance Ministers meeting on Dec 1 and 2.

The Asean Ministers will also submit proposals to the IMF, while the G-15 meeting will also be attended by "other relevant authorities" apart from Finance Ministers and central bank governors.

Dr Mahathir said the decision on currency trading was made during the leaders' retreat in Malacca yesterday and during further talks this morning.

The summitters had on Monday issued a statement on the currency problems, calling on the IMF and World Bank to consider regulating the currency markets.

G-15 heads of state and government are expected to go through the draft proposal on regulating currency trading at the summit in Egypt. There will be another summit in Jamaica nine months later.

Dr Mahathir said the more frequent meetings had been prompted by rapid changes in global trade and the urgent need to review these changes.

Observers said the decisions came as a surprise and at a time when the relevance of G-15 had been questioned by sceptics. One official said the summit had given the group new vigour and life.

Despite the focus on the currency problems, Dr Mahathir disagreed with the suggestion by an Indian journalist that the issue had "hijacked" the summit.

He said it also dealt with the issues of globalisation, liberalisation and deregulation that were being pushed mainly by the North.

This has led to rapid changes and ideas that could undermine economies of developing countries.

On the proposed G7-G15 dialogue, he said Japanese Prime Minister Hyutaro Hashimoto had, as requested, conveyed the G-15's wish to hold dialogues with the G-7, while French President Jacques Chirac had written to him emphasising the need for closer co-operation.

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