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OIC expected to call for regulation of currency trading

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TEHERAN, Sun: The Organisation of Islamic Conference (OIC) is likely to join other regional groupings in calling for regulation and greater transparency in currency trading.

The Teheran Declaration to be issued by OIC leaders on Thursday is expected to include a three-paragraph statement on the matter, on which Malaysia has begun initiatives to get all 55 countries under the OIC to adopt.

Foreign Minister Datuk Abdullah Ahmad Badawi said the paragraphs will make a call similar to that endorsed by other groupings, including Asean and the Group of 15.

"The other OIC members are aware of the economic problems we are facing, and that they could spread to other areas," Abdullah told Malaysian journalists during a break at the OIC ministerial level meeting here today.

The currency issue has yet to be discussed formally at the OIC meeting, but the minister said most OIC member countries are aware of the threat posed by currency speculators.

The OIC members may not be aware, though, of the actual mechanism, how the speculators operate, or that certain countries have started working on a formula to combat such activities, he added.

"We are still at the stage of getting support from other OIC members for inclusion of the currency speculation clause," he added.

The ministerial meeting is scheduled to finalise the agenda for the OIC Summit, which begins on Tuesday. Prime Minister Datuk Seri Dr Mahathir Mohamad is scheduled to attend the summit.

To date, Dr Mahathir's call for regulations to rein in currency speculation has drawn positive response from Asean, G-15, Asia-Pacific Economic Cooperation, Commonwealth and even the International Monetary Fund. The IMF is expected to complete a study on the issue first week of 1998.

One of the major resolutions finalised at the OIC senior officials' meeting for consideration at the summit, meanwhile, is the formation of an Islamic common market, the main objective of which is to increase commerce among OIC members and promote economic integration.

As one observer put it, OIC countries should mobilise their resources, data and capabilities to industrialise their economies. "Once the Islamic world is economically strong, it can enjoy a higher political status in the international arena."

The proposed Islamic common market is strongly supported by Iran, Oman, and several other West Asian countries. Malaysia's position is that the common market could be a prospective long-term objective, provided efforts are taken to promote trade and joint economic programmes.

Rapid progress made by countries such as Malaysia, Indonesia, Iran, and Turkey shows that the formation of the Group of Eight developing countries, or D-8, can spur a new kind of cooperation among the developing countries of the OIC, involving joint investment and transfer of technical knowhow.

The main problem, however, is that the Islamic states have not yet given enough priority to expanding intra-trade.

In his opening address at the OIC ministerial meeting yesterday, Iranian Foreign Minister Dr Kamal Kharazi said the Islamic world occupies an

important, influential and determining position in the formation of a new world order.

"With the cultural riches, massive human resources, invaluable reserves and strategic locations, OIC members are poised to assume a paramount historical role in shaping the new international order based upon Islamic syariah," he said.

"Over one billion Muslims, who turn to the same kibla and have a single divine book, can channel their constant, overall and balanced growth and development towards the revival of Islamic civilisation," he said.

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