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Anyaku - Crisis

COMMONWEALTH STUDIES RAMIFICATIONS OF ASIAN ECONOMIC CRISIS

By: Muin Abdul Majid

KUALA LUMPUR, June 1 (Bernama) -- The views of developing countries on the repercussions of the Asian financial and economic crisis will take centre stage in a special study spearheaded by the Commonwealth.

Commonwealth Secretary-General Chief Emeka Anyaku said the outcome of the study would serve as an input in a global debate over the matter.

"It will be different from other initiatives by organisations like the International Monetary Fund (IMF) and the World Bank in that it would be done in the perspective of the developing economies.

"And I hope the expert group will be able to analyse the true causes of the economic crisis and able to offer some prescriptions on how best to avoid this sort of situation," he said in an interview here.

He was referring to the 10-member group of highly qualified individuals led by a former South African finance minister which will meet in London on June 15. Malaysia will be presented by Bank Negara Assistant Governor Dr Zeti Akhtar Aziz.

IMF managing director Michel Camdessus had also promised to send a representative to join in the deliberations, Anyaku said.

Apart from forwarding the expert group's report to the Commonwealth Finance Ministers meeting in Ottawa at the end of September, he was planning to present it to the IMF and other international financial institutions for further action.

Anyaku, who was in Kuala Lumpur last week to attend the Commonwealth Youth Ministers' Meeting, also took the opportunity to brief Prime Minister Datuk Seri Dr Mahathir Mohamad on the grouping's initiative.

He said the fact that Malaysia, a country known for its sound economic fundamentals, was hit by the crisis was of great interest to the Commonwealth.

"Because for a long time, Malaysia has been one of the great hopes of the developing countries as it was doing so well economically.

"Malaysia was looked upon as a good example by many others of how developing countries can emerge from poverty and begin to play a role in the global economy," he said.

Anyaku said the turmoil was bound to result in a slowdown in Malaysian investments abroad, including in African countries.

The crisis, which was triggered by the collapse of the Thai baht last July, had prompted several Asian economies like Thailand, Indonesia and South Korea to turn to the IMF for assistance.

Commenting on the IMF bailout packages which come with strict conditions for reform to be undertaken by the affected countries, Anyaku said while it was understandable for the IMF to impose them, not all of them could be fully justified.

"One of the things that trouble me most is that some of these prescriptions, particularly those relating to liberalisation, usually result in developed countries buying up many assets in countries hit by the crisis," he said.

Notwithstanding economic matters, Anyaku said the 54-member grouping also had an active political programme and served as an instrument in promoting democracy and good governance.

"We are working very hard in helping countries with fledgling democracies to maintain them," he said, adding that a group of Commonwealth observers had just wrapped up their work in Lesotho's national elections.

He also said the Commonwealth Ministerial Action Group on Nigeria, whose membership in the grouping has been suspended since 1995, would assess the country's plan to move towards democratically-elected government by Oct 1.

"If Nigeria's plan is successfully completed, then I imagine the Commonwealth may reach a decision to lift the suspension.

"On the other hand, if the programme is not successfully completed or completed in a way that the Commonwealth thinks has no credibility, I don't think it will be lifted," he said.

The suspension was imposed after Nigeria executed author Ken Saro-Wiwa and eight other human rights activists.

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