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Eventful moments in 1997

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THROUGHOUT 1997, Malaysia was involved in several multi-pronged diplomatic initiatives which were of crucial importance to the country.

Closer home, Malaysia hosted Asean's 30th anniversary celebration. The event was the fulfilment of a dream to have the whole of southeast Asia in Asean.

The deferment of Cambodia was considered only a temporary setback.

The Asean Summit, which was held in December, was historic. At the conclusion of the meeting, Asean had forged special relations with the countries of North East Asia: China, Korea and Japan.

It was historic because it heralded the meeting among East Asian leaders to look at the economic and political situation affecting their countries.

It was decided that another meeting would be held before the second Abem (Asia-Europe meeting) in April this year.

Malaysia participated actively at the Apec meeting in Vancouver, Canada. Malaysia was also involved in other major meetings such as the Commonwealth Heads of Government Meeting (CHOGM) in Edinburgh and the OIC meeting in Tehran.

Malaysia also became the host to the important meeting of the Group of Fifteen (G15).

Malaysia had been at the forefront in forging close links with the financial institutions of the modern world.

Early last year, the new Kuala Lumpur Stock Exchange building was inaugurated.

Malaysia also instituted Mesdaq (Malaysian Exchange of Securities Dealing and Automated Quotation).

These events indicated how committed Malaysia, as a trading nation, is towards partnership and participation in the globalised financial set-up.

The currency crisis which emerged at the time of Asean's 30th anniversary came with such swiftness that the region was taken aback.

Only a month earlier, there was no forecast of such a rapid economic downturn as reported by the IMF.

Nearly all the countries of the region have been affected by economic problems.

The main issue at stake was related to the question of globalisation and currency movement.

In nearly all the major international meetings held, Malaysia was able to present coherent views about the regulatory need of the currencies.

Prime Minister Datuk Seri Dr Mahathir Mohamad tirelessly conveyed his views about the currency issues.

In the beginning there was scepticism but eventually the views were accepted. Among the most influential people prepared to look seriously at the problem was Michel Camdessus, the managing director of the International Monetary Fund.

The financial and currency crises had dominated the region to such an extent that the financial language which was once restricted to financial experts have become common usage and may become part of economic diplomacy work.

Such words include economic fundamentals, market sentiments, volatility, ratings, facility, hedge funds, institutional buyings, corporate share, etc.

In 1997, Malaysia, through Dr Mahathir, had forged close relations with

many countries, including Mongolia, Cuba and Namibia. Malaysia's role in the Commonwealth was recognised and it was noted that relations between Malaysia and Britain have been well in 1997.

At LIMA last year, the British presence was substantial. A far-reaching agreement was signed between Khazanah National Bhd and British Aerospace. This augurs greater economic cooperation between the two countries.

Relations with France was also emphasised. Dr Mahathir had forged close personal links with President Chirac of France. Chirac visited Langkawi and was supportive of the resolve of Malaysia and the region to overcome the economic problems.

Relations with Germany were also strengthened with the visit of President Roman Herzog.

The currency issues had affected relations between Malaysia and the United States.

However, the two trading partners recognised the need to be actively engaged.

The Apec forum became the vehicle of cooperation as Malaysia and her Asean partners discussed the economic issues with the United States.

Last year also saw the blooming of South-South cooperation.

Of special significance was the warm relationship that has developed between Dr Mahathir and President Mubarak of Egypt.

During the G15 meeting, Mubarak became so convinced of the deleterious effect of unfettered currency trading to developing economies that Egypt was prepared to host an early meeting of the G15 countries.

Relations with South Asia were strengthened with the visit of the leaders of Pakistan and Sri Lanka and the G15 link with India.

1997 has become a landmark year for Malaysia, for Asean and for the world at large.

The currency issue dominated the second half of the year.

With the intense scrutiny made on the workings of the currencies, there is no doubt that a solution to the problem would be found.

In an interdependent world, a just solution should lead to a progressive and united world.

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