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GROUP-SUBMIT REPORT

EXPERT GROUP TO SUBMIT REPORT ON EAST ASIAN ECONOMIC CRISIS

BANGI, Sept 8 (Bernama) -- An expert group, established in response to a request from Commonwealth Finance Ministers to examine the implications of the East Asian economic crisis, will submit its report next month, Commonwealth Secretary-General Chief Emeka Anyaoku said today.

"This group has met twice and will be submitting its report to the forthcoming Commonwealth Finance Ministers Meeting in Ottawa at the end of the month," he added.

Apart from examining the implications of the economic crisis, the group, drawn from different Commonwealth countries, will also be recommending measures to protect countries against the destabilising effects of volatile capital flows, including those fueled by speculation.

"In my view, the primary cause of the undermining of what were essentially strong and successful economies, especially in Malaysia, lay elsewhere," he said in his opening remarks at the Commonwealth Association for Public Administration and Management (CAPAM) Biennial conference here.

Prime Minister Datuk Seri Dr Mahathir Mohamed delivered the keynote address at the conference, which was attended by more than 100 participants.

"I refer here to the international dimensions of the crisis, and in particular, to the role played by the herd-like behaviour of internationally mobile capital flows in triggering and exacerbating the crisis," Anyaoku said.

"I believe that a number of lessons can be drawn from the analysis of the South East Asian economic crisis, which has now become an emerging market crisis that is also threatening to bring about a world financial crisis leading to global deflation," he added.

Anyaoku said the crisis had been totally unexpected while the speed and extent of the contagion effects had been especially unforeseen.

It is clear, he pointed out, that a comprehensive strategy for coping with volatile capital flows requires policy action at three levels. He lists them as:-

- \* National action by the governments concerned to contain or reduce the likelihood of future national crises;

- \* International action to strengthen early warning systems and the capacity to manage more effectively future crises and contagion effects;

and,

- \* Urgent action to introduce an international regulatory system that protects emerging economies and enhances global stability. -- BERNAMA

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