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Financial issues to take centrestage at G-15 meet

Syed Nadzri in Cairo

MALAYSIA and Indonesia will find themselves, more than ever before, playing key roles in the Group of 15 summit which starts here on Monday.

The summit, the eighth for this grouping of developing countries, will review the latest developments in the Asian financial markets which have been sharply jolted over the past year.

Indications that financial issues would take centrestage came after senior officials of G-15 member countries met to prepare the groundwork for the summit.

Foreign Ministry secretary-general Datuk Abdul Kadir Mohamed, who represented Malaysia at the pre-summit meeting, said a communique to be issued on Wednesday was being prepared.

Though he did not give details, other officials said the document was expected to propose solutions to contain the financial crisis which had sent shockwaves through international financial markets.

Malaysia and Indonesia's excellent active participation in previous summits have made them "leaders" in the grouping, especially now when other member countries seek to draw lessons from the experiences of the two.

In fact, officials said one of the main objectives of the summit was to find ways to avert similar situations in other financial markets.

India is the only other Asian country in G-15 which also comprises Algeria, Argentina, Brazil, Chile, Egypt, Jamaica, Kenya, Mexico, Nigeria, Peru, Senegal, Venezuela and Zimbabwe.

Senior officials on Thursday also discussed if the G-15 needed a permanent secretariat.

Malaysia is not quite in favour of this and has instead proposed that the grouping beef up its three-man Technical Support Facility in Geneva.

The proposal was contained in Malaysia's paper on the advantages and disadvantages of establishing a G-15 permanent secretariat, tabled at the meeting.

Abdul Kadir said there was a "preponderance of opinion" on the matter.

"We (Malaysia) found that there was a growing consensus among members that there should not be a permanent secretariat for the G-15.

"We feel that we should strengthen the TSF instead.

"As the permanent representatives could not commit on this, Malaysia proposed that the issue be discussed at the next G-15 summit in Jamaica next year," he said.

It is understood that India had proposed the setting up of a secretariat for the G-15 at the Kuala Lumpur summit last year and Malaysia was given the task of preparing a paper on the matter.

It is believed that some members, including Malaysia, are against the idea for fear of "institutionalising" the G-15. Logistics seemed to be the main issue if members decide to set up a secretariat.

Abdul Kadir also said that Malaysia had offered to be a member of the G-15 troika when Jamaica took over the chairmanship of G-15 from Cairo.

The troika, which supervises the TSF, is made up of the past chairman, the present chairman and the next chairman of the G-15 and comprises an Asian, an African and a Latin American nation.

This year, the troika is made up of Malaysia, Egypt and Jamaica.

Next year, however, complications will arise when Jamaica takes over the chairmanship from Egypt. This is because, according to the tradition of

the G-15, only Jamaica and Egypt will be members of the troika as Egypt is not only the past chairman, it will also be the next chairman when it hosts the summit in the year 2000.

This means that there will be no Asian representation on the troika.

"Members have suggested that Malaysia be a member of the troika.

"If this is what the other members want, we offer ourselves to be an ad-hoc member of the troika," he said.

Meanwhile, Prime Minister Datuk Seri Dr Mahathir Mohamad left Kuala Lumpur for Cairo yesterday for a three-day official visit and to attend the G-15 meeting.

Bernamea reports that Dr Mahathir arrived in the evening.

Accompanied by his wife Datin Seri Dr Siti Hasmah Mohamed Ali, Dr Mahathir was greeted on arrival at 5pm (10pm Malaysian time) by his Egyptian counterpart Dr Kamal Ahmed Al Ganzoury, other senior Egyptian officials and the Malaysian ambassador here, Azman Nazir.

Today Dr Mahathir and Dr Ganzoury will lead each other's delegations for bilateral talks that will focus on expanding economic and cultural ties between the two countries.

The two Prime Ministers will sign the first ever agreement on science and technology between the two countries and a memorandum of understanding on co-operation in Islamic affairs.

Dr Mahathir will call on President Hosni Mubarak before addressing a luncheon hosted by the Federation of the Egyptian Chambers of Commerce.

Dr Mahathir will then open the first showroom here of Perodua Kancil, Malaysia's second national car, which entered the Egyptian market with the first sale of 80 units in February.

On Sunday, the Prime Minister will receive a rare honour of an Honorary Doctorate of Letters from Al Azhar University, the world's oldest. He will be the first foreign head of government to be conferred the doctorate in 30 years.

He will also deliver a lecture at the presentation ceremony. From Monday, he will attend the three-day G-15 summit.

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