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G-15 grouping is not fighting a losing battle altogether

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LOOKING at their future in the land with a rich past - that describes the position of the Group of 15 nations which held their summit in Cairo early this week.

The summit, the eighth for the grouping of developing nations, was held earlier than scheduled - just six months after the last one in Kuala Lumpur - partly to reflect on the urgency of matters in the face of the present global scenario.

And one topic dominated the proceedings - the financial problem affecting East Asia.

Though in G15 only Indonesia and Malaysia are directly affected by the problem, the other 14 members of the grouping were far from sitting still, delving into this issue since the pre-summit meetings began at senior officials level last Thursday (May 7).

By the time the leaders started their summit on Monday, it was clear that the topic was central to their discussions, many wondering whether the problem would reach their shores and what they should do if it does.

The "financial turmoil", as many delegates chose to describe it, had forced itself on the agenda at the last summit in Kuala Lumpur in November.

After six months, the delegates feel the impact of the earth-shaking debacle is still far from over despite the relentless efforts to bring it to an end.

The jitters, according to a Malaysian official, could be felt among all at the summit because they say that if it could happen to a country like Malaysia, it could happen to them, too.

"There seems to be no signs of summit fatigue this time around," said a G-15 secretariat official here.

Malaysia, experiencing the brunt of the jolted financial markets, tabled a paper at the summit to share ideas.

The paper on "The East Asian Crisis: Causes, Policy Responses, Lessons and Issues" was tabled by Prime Minister Datuk Seri Dr Mahathir Mohamad and it drew rapt attention.

It touched on the need for a comprehensive review of the present "architecture of the international monetary system", a term coined in the wake of the economic problems.

President Suharto of Indonesia also gave his input through his speech at the opening session.

Suharto's thoughts and the Malaysian working paper provided the basis for a substantial part of the final communique to be on the financial problem.

The G-15 leaders, through the document, acknowledged that there were weaknesses in the global financial system and that the problems in East Asia are not an isolated phenomenon and could happen to any country.

They also called for more international cooperation in dealing with the situation.

As in most documents issued at the end of conferences, these are nothing else but mere words. Just what clout does the G-15 carry?

Dr Mahathir, for one, realises this. But he believes that the grouping is not altogether fighting a futile battle.

He told Malaysian journalists on Sunday that the G-15 by itself might not be so effective. "But we must remember that member countries can and

do have the influence over other nations outside the sphere." Their trading partners, for instance.

In 1995, 10 member countries of the G-15 were among the top 50 leading exporters and importers in world merchandise trade. Collectively, member countries accounted for US\$365.3 billion (RM1,424.67 billion) or 10 per cent of world merchandise exports and US\$372.6 billion (10 per cent) of imports.

G-15 trade with the rest of the world has experienced significant growth. Between 1990 and 1995, for instance, exports grew by 68 per cent, 15 per cent more than the world average for the same period.

Noteworthy is that the developing countries are still typecast as suppliers of raw materials to industrialised nations whose products are thriving business.

But this is of course slowly changing as south-south co-operation on the back of G-15 partnerships is fast taking shape through joint ventures and smart partnerships

G-15, at one stage regarded as a passive club, also seems to be making a turnaround in terms of popularity with many countries now wanting to join it.

Sri Lanka, admitted at the Cairo summit, is now the 17th member and the fourth Asian country after Malaysia, Indonesia and India.

This, according to Malaysian Foreign Minister Datuk Seri Abdullah Ahmad Badawi, will balance the equation because six members are from Africa (Algeria, Egypt, Kenya, Nigeria, Senegal and Zimbabwe) and seven from Latin America and the Caribbean (Argentina, Brazil, Chile, Jamaica, Mexico, Peru and Venezuela).

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