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Good turnout shows commitment of the G-15 leaders

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CAIRO: If attendance is used to gauge the commitment of leaders of developing nations to the Group of 15 (G-15) countries, then the eighth summit here reflected just that.

Although not all the leaders attended the three-day meeting which ended yesterday, it saw the largest turnout ever registered by the G-15.

Out of the 16 countries, 12 were represented by their heads of state/government. Of these 12, nine were presidents and prime ministers and three vice-presidents.

The summit was attended by the presidents of Algeria, Egypt, Indonesia, Kenya, Peru, Senegal and Zimbabwe, prime ministers of Malaysia and Jamaica and vice presidents of Brazil, Argentina and India.

Chile, Mexico, Nigeria, Venezuela were represented by ministerial delegations.

The G-15 needs a quorum of five presidents/prime ministers and three vice presidents/deputies to meet.

Of all the leaders, only Prime Minister Datuk Seri Dr Mahathir Mohamad and Zimbabwe President Robert Mugabe had attended all eight summits since the G-15 was established in 1989.

Diplomats attending the summit - including the preliminary meetings of personal representatives, trade and economic ministers and foreign ministers - attributed the good turnout of leaders to three factors: the East Asian economic and financial crisis, the impending World Trade Organisation (WTO) second ministerial meeting in Geneva in the middle of this month and the urgent need for a North-South dialogue.

On top of that, diplomats also pointed out the fact that the eighth summit was held, for the first time, in the second quarter of the year, instead of the past practice of holding it in the last quarter. The last quarter of the year sees most members - especially those from Latin America - committed to meetings of their own groupings and as such, many would not be able to make it to the G-15 summit.

Malaysia's presentation by Dr Mahathir on "The East Asian Crisis: Causes, Policy Responses, Lessons and Issues" at the first day of the summit on Monday gave leaders a better understanding of why and how the crisis happened and what the affected governments are doing to overcome the problems and expedite economic recovery.

They acknowledged that the financial crisis in East Asia is not an isolated or an unprecedented phenomenon as it had been occurring with greater frequency in both developed and developing countries with severe impact on growth and development.

Leaders, in their joint communique issued at the end of the summit, agreed that measures to fully restore market confidence and capital flow to allow the resumption of economic growth need great availability of financial resources from the International Monetary Fund, development finance institutions and donor countries.

The financial assistance, they said, should not be accompanied by unnecessary additional conditionalities.

They also concurred that the burden of the economic and financial crisis should be appropriately and equitably shared among private lenders, borrowers and governments.

"Actions taken by both the private sectors and governments contributed to the crisis in East Asia and inadequate supervision of lenders has been

equally responsible for excessive risk-taking," the leaders said.

They also supported the establishment of a transparent international monetary system, saying that the East Asian crisis clearly showed the imbalance in the global financial structures, which had destroyed, within the span of a few days, decades of development and progress.

On the WTO ministerial meeting in Geneva, leaders realised the importance for the developing countries to be united against the economic superpowers which are expected to press for new rules and conditions on trade at the meeting. This could be detrimental to the interests of countries in the South.

Leaders supported Malaysia's stand that the meeting refrain from discussing the next round of trade negotiations called the "Millennium Round".

As International Trade and Industry Minister Datuk Seri Rafidah Aziz, who is a member of the Malaysian delegation at the summit, puts it succinctly: "Our (developing countries) priority now is economic recovery. We are in no position to discuss about anything else."

Malaysia suggested instead a sectoral approach towards trade liberalisation instead of the multilateral or comprehensive approach which involves all products.

Furthermore, the diplomats said, there are still a lot more on the plate from the previous trade talks to be implemented before the WTO talks about another round of trade negotiations.

Issues such as agriculture remain thorny for the WTO while those on environment, intellectual property and trade dispute settlements still need to be attended to.

And the G-15 - a grouping which make up 30 per cent of the world's population, 39 per cent or over US\$2 trillion (US\$1 = RM3.90) of the total gross domestic product of developing countries, 30 per cent of total exports by developing countries and 72 per cent of the total geographical area of developing countries - wants to make itself heard.

Egypt President Hosni Mubarak could not have put it any better, saying that a dialogue among nations is no longer a luxury "which we can afford to ignore."

"It has become a must, an essential part of proper economic policy design. Advanced economies must formulate their economic policies to avoid the occurrence of excessive and distortive fluctuations in capital and trade flows in the global economy," he said.

The G-15 had, ever since its first summit in Kuala Lumpur in 1990, called for a constructive and continuing dialogue with the industrialised countries.

The grouping of developing nations is seeking a representation at the Group of Eight meeting in Birmingham, England next week. It is not immediately known if this has been agreed upon but the G-15 would be sending a memorandum to the Birmingham meeting.

Undoubtedly, there is still much more which the G-15 can do but the little steps taken at the eighth summit will inevitably lead to giant leaps for the G-15.

Jamaica hosts the ninth meeting next year, where Sri Lanka will be admitted as the 17th member of the grouping. And Egypt has agreed to play hosts to the G-15 leaders again in the year 2000.

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