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Malaysia to table 3 papers at G-15 summit

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MALAYSIA will table a paper on developments in the international financial markets at the eighth Group of 15 (G-15) summit in Cairo next week.

Malaysia will table two other papers at the May 11- summit, one on the establishment of the G-15 permanent secretariat and the other on the collation and dissemination of information on technical programmes offered by member countries.

Foreign Minister Datuk Abdullah Ahmad Badawi said this is in accordance with the decision made at the Kuala Lumpur summit last year.

"As agreed by the heads of state/government, the main emphasis at the Cairo meeting will be on the financial crisis that is sweeping the region.

"Malaysia hopes to see results from the deliberation by the G-15 countries," he told Business Times in Kuala Lumpur.

He said the G-15 members are aware that a prolonged economic crisis in any region will sooner or later have a global effect. In this regard, it is important for the grouping to take the initiative to address the matter with the guidance and advice of the IMF and World Bank,

"They (G-15 leaders) recognise short-term capital flows and currency speculation as the main causes of the economic crisis in the region."

Malaysia's delegation to Cairo will be headed by Prime Minister Datuk Seri Dr Mahathir Mohamad.

International Trade and Industry Minister Datuk Seri Rafidah Aziz will attend the G-15 trade ministers' meeting on May 8 while Abdullah will participate in the foreign ministers' meeting on May 9.

The personal representatives of the G-15 heads of state/government will meet on Thursday.

It is understood that leaders attending the Cairo meeting are also expected to deliberate on the outcome of the G-22 finance ministers' meeting in Washington last month.

The finance ministers had discussed the creation of a "new international financial architecture".

The new scheme, an American initiative that is gaining support among the 182 members of the IMF, is aimed at rectifying weaknesses in the global financial system and to make sure that last year's events and their punishing effects will not recur.

They agreed that developing a new architecture is an urgent and compelling challenge, with the ultimate objective being a strong and resilient global financial system.

On the need for a permanent secretariat, Abdullah said the proposed mechanism to be similar to the present G-15 three-man Technical Support Facility (TSF) currently based in Geneva.

"At present, the TSF is tasked to serve as a secretariat... to provide substantive support for all activities of the G-15, and to monitor, promote and publicise those activities," he said.

Abdullah said Malaysia is confident that the G-15 countries will continue to work closely in the fields of trade, finance and technical assistance especially in these trying times.

At the Cairo summit, Malaysia also wants to see a more concerted effort to realise one of G-15's key objectives - to promote a positive linkage between the North and South.

This, Abdullah said, may be achieved in the form of a dialogue.

"The need for stronger ties is essential as we are growing more

interdependent every day.

"President Hosny Mubarak, as current chairman of the G-15, has written to British Prime Minister Tony Blair, as chairman of G-8, on our interest in opening a dialogue between the two groupings.

"The chairman, as a practice, will also incorporate the views concerning member countries for consideration by the G-8, when there is a need," he said.

Malaysia, he added, has always been supportive of initiatives for a North-South dialogue.

"We feel that it is important to have a link so that we can consult and advise one another on issues and recommend courses of action which are beneficial to both sides," he said.

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