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G-15 summit set to highlight financial markets' developments

Syed Nadzri in Cairo

EGYPTIAN President Hosni Mubarak yesterday opened the Group of 15 summit which is set to highlight current developments in the financial markets of East Asia.

The three-day summit, the eighth for the grouping of developing nations, is being attended by nine heads of Government, including himself and Prime Minister Datuk Seri Dr Mahathir Mohamad.

The other heads of Government are Presidents Liamine Zeroual of Algeria, Danial Arap Moi (Kenya), Abdou Diouf (Senegal), Suharto (Indonesia), Alberto Fujimori (Peru), Robert Mugabe (Zimbabwe) and Prime Minister James Paterson (Jamaica).

Brazil, India and Argentina are represented by their vice-presidents while Mexico, Venezuela, Chile and Nigeria come with ministerial delegations.

The summit is also attended by secretary-general of the UN Conference on Trade and Development (Unctad) Rupenf Ricupero and secretary-general of the World Trade Organisation Renato Ruggiero.

Mubarak, in his speech, expressed the hope that the current economic problems in East Asia was just a passing phase and that countries affected would later emerge stronger.

He also underlined the need for all member countries to learn from the episode and find ways to avert a similar crisis.

Suharto, who made an opening statement on behalf of Asia, said the problems in East Asia underscored the need for closer international co-operation especially among developing countries.

Indonesia, he added, was seriously affected by the crisis which has caused its economic growth to plunge from a consistent seven per cent over the last two decades to minus-four per cent now.

Meanwhile, Zeroual said the problems had shown how, within just a few days, decades of efforts and sacrifices could be nullified.

On behalf of the other African states, he expressed solidarity in calling for transparency in the international currency trading system.

A draft communique is being prepared for the summit and is expected to be released tomorrow.

One of the highlights is the grouping's feeling that greater attention needed to be focused on better managing the trends towards a more globally independent financial market.

The draft document also noted that the financial crisis in East Asia was not an isolated or an unprecedented phenomenon and that countries affected by the crisis, including some members of the G-15, had taken significant measures to strengthen regulations and supervision of domestic financial institutions.

It also stressed that financial assistance from the International Monetary Fund should not be accompanied by unnecessary conditions.

Leaders attending the summit, including Dr Mahathir, will go for a one-day retreat at Sharm es-Sheikh, a resort at the southern tip of Sinai today.

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