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REGULATION BETTER THAN DEREGULATION, MALAYSIA TELLS NAM

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DURBAN, Sept 1 (Bernama) -- The Non-Aligned Movement (NAM) foreign ministers meeting here ahead of their leaders summit Wednesday appeared to be heading in the same direction as Malaysia in calling for regulation in international currency trading.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi said there were signs that they are all for a review of the international financial system to prevent currency speculators from further attacking their economies.

"It is obvious that they are heading towards that direction," he told Malaysian journalists at the end of the first day of the NAM foreign ministers meeting in this South African port city.

Abdullah had earlier told a roundtable discussion of the foreign ministers that some form of regulation was better than deregulation.

He said financial markets and currencies should not be subjected to unbridled manipulation and speculation.

"All governments should work together to forge a common understanding for a set of acceptable universal norms with regard to currency trading.

"We are all in this together, North and South," he said.

Abdullah's remarks are expected to set the tone for the NAM Summit as the leaders began arriving here today for their two-day meeting.

Abdullah will be representing Prime Minister Datuk Seri Dr Mahathir Mohamad at the summit.

He said that without doubt the financial and economic crisis was "by far the most crucial issue that many of us are confronted with."

"The reverberations of the Asian financial crisis are now being felt worldwide. It is also being felt here in South Africa," he said, adding that it had also begun to affect commodity exports and trade in other parts of Asia, Africa and Latin America.

Stressing that even the larger economies of the North were not immune, he said the crisis had produced political and social ramifications.

Abdullah said although the full impact might be yet to come, "we definitely do not wish to contemplate the worst-case scenario."

"But at the same time we should not take lightly signs of a more serious catastrophe," he said.

Abdullah said many of his counterparts spoke on the currency crisis at the roundtable discussion held for the first time in a NAM meeting behind open doors.

On globalisation, Abdullah said Malaysia did not wish to see its partners in NAM experience the damage and destruction caused to the "tiger" economies of East Asia by the free flow of short-term capital.

He said there was a need for all countries to better appreciate and understand the full effects of globalisation -- the good as well as the bad.

-- BERNAMA

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