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### Strong signals from Cairo

EGYPT'S gestures of the last couple of days to its fellow members of the Group of 15 (G-15), particularly those that have been hit by the South-East Asian economic turmoil, are very refreshing. Such show of camaraderie has not been too forthcoming within the grouping that celebrates its 10th anniversary next year. In fact, since the pounding by currency traders and stock manipulators began last July, too few developing countries outside South-East Asia have come out individually to offer support to economies in this region.

What's more heartening is that the Egyptian President, Mr Hosni Mubarak, and his Prime Minister, Dr Ahmad Kamel El-Ganzouri, have offered more than just morale support to Indonesia and Malaysia at the weekend. Such support would have been quite sufficient for the two G-15 members which are wrestling with varying but persistent economic problems caused by the financial turmoil. In their attempts to effect stricter regulations on international currency trading, a major cause of the financial crisis, Malaysia and Indonesia will need all the support they can muster. But Mubarak told President Suharto that Cairo is prepared to help Indonesia rebuild its economy. For Malaysia, Egypt has offered to support in whatever way possible plans by both Proton and Perodua, the Malaysian car manufacturers, to assemble their cars in Egypt for domestic consumption as well as export to other West Asian countries. In addition, Egypt has agreed to eliminate barriers that have slowed down imports of Malaysian palm oil and also to pave way for more foreign direct investments into Malaysia.

These measures will go a long way towards helping Malaysia and Indonesia with their economic recovery. Malaysia, especially, will be looking for every possible means to increase trade and investment with other countries in its resolve to resist having to resort to seeking aid from the International Monetary Fund (IMF). As Prime Minister Datuk Seri Dr Mahathir Mohamad said in Cairo, the country's salvation lies in trade, not the IMF. Indonesia is not as fortunate; its economy was too badly battered to say No to the IMF. Even then, Dr Mahathir has said Malaysia will try to do whatever it could to assist with the Indonesian economic recovery. The Government has announced a US\$250 million (US\$1 = RM3.82) bridging loan for Jakarta while the republic awaits the IMF's bailout package, but certainly increased trade and investment will help Indonesia more. This is something the other G-15 members will need to do, individually as well as collectively.

Failure to do something tangible to help one another will ultimately weaken the grouping. And what a shame that would be. Since its establishment in 1989, the G-15 has initiated several projects that have ever since proven that the developing countries have the capacity to help themselves. The bilateral payments arrangement (BPA) saw trade among member countries increased tremendously this decade. G-15 instruments such as the South Investment, Trade and Technology Data Exchange Centre (Sittdec) have also enabled companies in these developing countries to do business with one another. Although initially there were doubts about the commitments of the G-15 members themselves, the on-going Cairo leaders' summit boasts of the biggest turnout of heads of governments. This reflects the growing confidence of member countries to speak and act on behalf of the so-called Third World.

Even the western media coverage of the summit this year is somewhat of a surprise. The CNN carried some semblance of serious news on the summit, and sometimes gave it more air time than the daily weather. This is because what the G-15 leaders decide at the summit, after being among the first to make a stand on international currency speculation with regards to the South-East Asian crisis when they met in Kuala Lumpur last year, will hint at how far the developing countries want to push the issue at other international forums. And Egypt, the host of the G-15 summit, has certainly sent out strong signals about the grouping's resolve not to sweep the whole matter under the carpet.

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