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NAZRI-FINANCE

AFFECTED COUNTRIES SHOULD BE INVOLVED IN RESTRUCTURING OF INTERNATIONAL FINANCIAL SYSTEM

KUALA TERENGGANU, Sept 14 (Bernama) -- Malaysia wants other countries affected by the currency crisis to be involved in the discussions aimed at reforming the international financial structure.

Deputy Finance Minister Datuk Nazri Tan Sri Aziz said this was necessary as only countries that have been affected would be able to give accurate views on what could be done to avoid similar crisis in the future.

"It is for this reason that we would also like to be involved as what is the final outcome would be a structure that is acceptable to all countries and not what is seen as needed by the Group of 7 (G7) industrialised nations alone," he told reporters after visiting the Bank Simpanan Nasional here today.

He said action towards this issue should be taken as soon as possible to help out the affected countries in their economic recovery.

Nazri made these comments when asked to review the decision taken to include Malaysia's suggestion for a reformation of the international financial structure, in the Declaration of the Asia Pacific Economic Cooperation forum held in Auckland, New Zealand.

Government heads of APEC who are currently meeting at the capital of New Zealand were quoted as saying that it was time to give attention to the "attack" on hedge funds by Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad, to prevent further attacks on currencies by the uncontrolled hedge funds.

US president, Bill Clinton has himself admitted that it was a mistake to say that the situation was under control now and that a financial restructure was not needed.

Nazri said Malaysia had never budged from its stand that something must be done to avoid the repeat of attacks on currencies.

"Malaysia is ready to present its views if it is accepted to participate in the discussions ..... we have about a couple of suggestions, which I am unable to explain here," he said.

He said Malaysia wanted to see a consensus taken on the issue at an international level, involving all the affected countries.

"So that, whatever is planned, it would take into consideration the views of countries who have seen the impact of "hot money" being taken out of their countries with such speed that jeopardised their economies," he said.

He said Malaysia would be concerned if the discussions only involved the G7 nations and Russia alone, as the decisions would then be biased towards the very investors who are involved in the "hot money" as many of these investors are from these countries. -- BERNAMA

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