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G15-Capital

G15 MOVING TOWARDS FINDING REMEDIES FOR FINANCIAL TURMOIL

By: Kuah Guan Oo

MONTEGO BAY (Jamaica), Feb 8 (Bernama) -- An official from the Group of 15 says its members have gone beyond analysing of the devastating effects of the financial turmoil and have proceeded to devising remedies and harmonising their stand.

There was now a "real urgency" among the G-15 on how to address the question of regulation of short-term capital flows, said Anthony Hill, personal representative of Jamaican Prime Minister P.J. Patterson to the G-15 summit, here.

The G-15 comprises Argentina, Brazil, Chile, Mexico, Peru, Venezuela, Jamaica, Algeria, Egypt, Kenya, Nigeria, Senegal, Zimbabwe, India, Indonesia and Malaysia. Sri Lanka is taking its place as the 17th member at this summit.

Asked if the grouping could speak with one voice on the issue, the personal representative of Prime Minister Datuk Seri Dr Mahathir Mohamad to the meeting, Hamidon Ali, said the members were trying to narrow down their differences to arrive at a common position.

Short-term capital flows, he said, were both positive and negative and it was for them to look into the question of transparency and a balance between the two effects.

Hill said the G-15 process had enabled Dr Mahathir to speak and articulate his views and analysis on the harmful effects of short-term capital.

The Jamaican official, who chaired the meeting, entrusted to draft the joint communique of the G-15 summit beginning Wednesday, said it was Dr Mahathir who initiated the talks on the devastating effects of short-term speculative capital flows at the G-15 summit in Kuala Lumpur in November 1997.

Hill said if not for this forum of developing countries, Dr Mahathir's views and analysis on the harmful effects of short-term capital flows would have been submerged.

"And what would happen is that the people of the developing world would be left wondering what their countries and leaders are doing about it," he told a press conference during a break following a meeting of the leaders' personal representatives, here, Sunday evening.

Hill also said Dr Mahathir, who made some of his most fervent critics thought that he was a bit off the rocker at that time, had now made them accept that speculative short-term capital flows were not a unique problem for Thailand, Indonesia or Malaysia.

They also affected Russia, Brazil and even the industrialised nations, he said.

Hill recalled that the then Kuala Lumpur summit could not accept Dr Mahathir's diagnosis, to the extent that the grouping's views had to be carried in a special statement instead of their joint communique.

But by the time the grouping of 17 developing nations met in a special summit in Cairo in May last year, the question of speculative short-term capital flows merited a few paragraphs in the joint communique, he said.

Meanwhile, Foreign Minister Datuk Seri Syed Hamid Albar and International Trade and Industry Minister Datuk Seri Rafidah Aziz arrived in this north-western tourist city on Sunday night for the summit.

Syed Hamid will join the other foreign ministers in their meeting tomorrow to finalise details for the leader's three-day meeting.

-- BERNAMA
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