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G-15 talks likely to focus on co-operation

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IN the balmy weather of the Caribbean, several heads of Government from developing countries of the South will gather next week to discuss issues of co-operation in these economic trying times.

At least a dozen leaders of the Group of 15, including Prime Minister Datuk Seri Dr Mahathir Mohamad, have confirmed participation in the ninth annual summit beginning Wednesday.

Notwithstanding the laidback atmosphere in this northwestern city, known as Jamaica's tourism capital, the issue of co-operation among member countries in the face of current uncertainties in the global economy is expected to dominate talks.

G-15 was set up during the Ninth Non-Aligned Summit in Belgrade, Yugoslavia, in 1989, as a forum to promote South-South co-operation and North-South dialogue. Its formation was driven by the desire to improve economic growth and prosperity in member countries, as well as in other developing countries.

Despite its name, there are actually 17 members from Asia, Africa, the Caribbean and Latin America. They are Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Kenya, Malaysia, Mexico, Nigeria, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe.

The presence of leaders from a number of Asian and Latin American countries is bound to generate some interesting discussions on the issues of globalisation, especially its negative impacts.

Chief among them, one would suspect, would be the unfettered flow of capital in the global foreign exchange markets that over the years have been shown to have had disastrous effects on developing countries.

While the issue is not on the prepared agenda this year, it is almost certain to be discussed.

Indonesia, Malaysia and Mexico have had their share of problems from sudden capital movements. Mexico had its financial crisis in 1994 and seemed to have got over it, while Malaysia and Indonesia are appearing to be coming out of theirs.

Now, Brazil, the largest economy in Latin America, is having its own economy threatened by the fickleness of the very international investors that had left much of Asia in a daze for more than a year.

A matter of great concern that will be addressed at this year's meeting would be the need to encourage a more active participation of the private sector in G-15 initiatives, which thus far had been lacking.

For example, while intra-G-15 trade had been growing at a rapid pace of an annual average of 22 per cent per year between 1990 and 1996, in terms of value it is small. For 1995, it was only about US\$20 billion (RM76 billion).

On the other hand, the group's 11 members were among the top 50 leading exporters and importers in world merchandise trade. Collectively, G-15 countries accounted for US\$396 billion (or 10 per cent) of world merchandise exports and US\$410 billion (also about 10 per cent) of merchandise imports.

Also, G-15 trade with the rest of the world grew by 85 per cent between 1990 and 1996, or 24 per cent more than the world average for the period.

One of the aims of G-15 is to encourage member countries to explore non-traditional markets, especially in developing countries. Most developing countries sell their products to the developed world, which in turn export

to other developing countries.

The slow pace of growth in intra G-15 trade is due primarily to the grouping being driven more by policy-makers than the private sector, which essentially is the engine for economic growth.

It is expected that this phenomenon would be address substantially at this year's summit.

To this effect, in conjunction with the summit and the ministerial meetings, a trade exhibition will be held here with moreb than 200 companies from member countries taking part.

For the third time, at this year's annual summit, a meeting of Trade Ministers will be held just before the summit. International Trade and Industry Minister Datuk Seri Rafidah Aziz, who is expected to arrive today, will head Malaysia's trade delegation.

Also expected to be here is Datuk Seri Syed Hamid Albar who will be attending the 18th Foreign Ministers Meeting.

Dr Mahathir is expected to arrive here on Monday from London.

Over the years, G-15 had launched a series of initiatives in a wide range of economic and technical co-operation such as in the areas of environment, technology, education, trade and investment.

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