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Mahathir-G-7

INCLUDE DEVELOPING COUNTRIES IN NEW FORUM, SAYS DR MAHATHIR

KUALA LUMPUR, Feb 23 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has written to all the heads of the Group of Seven (G-7) industrialised countries urging them to let developing countries participate in their efforts to create a new global financial architecture.

Dr Mahathir also suggested that the G-7 come up with a surveillance of hedge funds and that the powers to check them not be restricted to the grouping's members but should allow the participation of developing countries as well.

In the letter also sent to US President Bill Clinton, he said: "We, the developing countries are victims in this free globalised world, both developed and developing countries should help each other."

He said this when commenting on the G-7 meeting in an interview with the "Mainichi," a Japanese daily newspaper.

His comments were in a translated text of the interview conducted by the publication's Hong Kong bureau chief, Akiko Kato here yesterday and faxed to Bernama today.

At the finance ministers meeting, the G-7 agreed that the grouping should look into ways to strengthen global cooperation and proposed creating a round-table "stability forum" of financial regulators and supervisors to nip burgeoning financial crises in the bud.

The grouping also supported moves to unite the world's fragmented regulatory bodies to give them more clout against sophisticated global financial markets.

The new forum would include officials from the International Monetary Fund (IMF), World Bank, Bank for International Settlements and Organisation for Economic Cooperation and Development as well as G-7 representatives, regulators in the banking, securities and insurance sectors and central bank experts.

However, there was no mention of including developing countries.

But the G-7 did say that the group of about 40 officials would meet first on the sidelines of the IMF and World Bank semi-annual meetings in Washington in April and could later expand to include emerging market economies.

In the interview, Dr Mahathir also expressed disappointment that the G-7 finance ministers meeting, which decided on the immediate setting up of the task force towards this end, did not include developing countries in it.

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MR SA JK