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MUSTAPA-FINANCE

M'SIA TO LEAD TALKS ON FINANCIAL STRUCTURE AT WORLD BANK MEETING

JELI, Sept 17 (Bernama) -- Malaysia has been selected as the lead speaker for the Commonwealth countries on the formulation of a new international financial structure at the meeting between Commonwealth ministers and the Annual Meeting of the World Bank/International Monetary Fund end of this month, said Second Finance Minister Datuk Mustapa Mohamad.

"I will speak on the issue and we have been chosen to articulate Malaysia's position at the World Bank," he told reporters here today.

The Commonwealth Finance Ministers Meeting has been scheduled from Sept 19 to Sept 21 at the Cayman Islands while the World Bank's annual meeting is to take place from Sept 24 to Sept 30.

Mustapa said, at the meeting Malaysia will continue to push for what has been often said by Prime Minister Datuk Seri Dr Mahathir Mohamad in relation to the financial system including on the need for control over capital flow.

He will also inform the international community of the economic recovery taking place in the country and the effectiveness of the measures taken by the government including its selected capital controls.

On a statement by leading World Bank economic expert, Joseph Stiglitz, who had said Malaysia's quick recovery from the recession was inspiring and commended the government, Mustapa said the comment was a confirmation of the expert's support who had earlier said that Malaysia's move was in the right direction.

He added that what was important for the government now was to ensure success for the recovery measures it had taken although there had been speculation that the country's economy would crash.

"The results cannot be questioned as the foreign reserves, country's trade, economic returns these cannot be questioned," he said.

Mustapa also said the government had no plans to lift the capital controls as it was clear now that the measures helped strengthen the banking and corporate systems.

Stiglitz while presenting the World Development Report 2000 in Washington on Wednesday, had said that the expected bad effects "forecast and wished for to take place in Malaysia" following the capital controls never took place. -- BERNAMA

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