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G-15 fully supports Malaysia's stand, says Dr M

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ALTHOUGH some of its members have not been vocal, the Group of 15 (G-15) is solidly behind Malaysia on both currency trading and globalisation issues.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who returned from the ninth G-15 summit in Jamaica yesterday, said the G-15 is now fully supportive of Malaysia's stand that currency trading must be controlled and globalisation closely monitored.

Certain countries could not openly support Malaysia's capital controls because they would upset certain international organisations if they had done so.

The Prime Minister said many leaders wanted to know more about Malaysia's capital controls and its stand on currency speculation.

"They want to know about currency devaluation - how it starts, who does it, who benefits, who loses. There are many things they do not appreciate because they do not know," he told reporters at the Sultan Abdul Aziz Shah International Airport in Subang.

Asked if Brazil, which has faced its own financial crisis, had asked about exchange rate controls, Dr Mahathir said: "They asked me repeatedly and they wanted to know but they are tied with the IMF, and I find that whoever is tied with the IMF finds it difficult to say something which the IMF may not like".

Brazil had devalued its currency, the real, and is a recipient of a US\$41.5 billion (US\$1 = RM3.80) credit programme led by the IMF.

Asked why Malaysia's exchange rate controls appear to have more support from countries far away than those in the Asian region, Dr Mahathir said: "Well, I can understand their problems. That is their stand."

Three Asian countries badly hit by the regional financial crisis had sought IMF aid. Thailand is getting a US\$17.2 billion IMF bailout, Indonesia US\$42 billion, and South Korea US\$57 billion.

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

Dr Mahathir said the G-15 leaders also felt that the G-15 has not manifested itself as a group.

"`There is no mystique', they said. They want it to be an active group in all international meetings," he added.

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