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Forums should be well represented: Dr M

Hardev Kaur; Kasmiah Mustapa in Bangkok

BANGKOK, Fri: Any grouping to study global financial flows should include representatives of countries that are directly affected by massive movements of short-term capital, says Prime Minister Datuk Seri Dr Mahathir Mohamad.

Even the Group of 20 (G-20), which was set up specifically to look into the issue, initially did not have any representatives from Asean, he told reporters after officially opening the new Malaysian Embassy Complex in the Thai capital today.

It was only later that Indonesia, an Asean member and one of the worst affected by the 1997 Asian financial crisis, was included as a member.

"They seem only to want to get people who can agree with them. At this rate, they will never achieve anything," Dr Mahathir said.

The G-20 comprises the Group of Seven (G-7) industrialised countries, and 11 other emerging and developing economies - Argentina, Australia, Brazil, India, China, Mexico, Russia, Saudi Arabia, South Korea, South Africa and Turkey.

The European Union together with the EU Central Bank president and the managing director of the International Monetary Fund (IMF) are also members.

It was conceived in September 1998 as an informal forum to discuss ways of reforming the global financial system.

Bretton Woods institutions IMF and World Bank, established almost 50 years ago, have not been able to control the massive flows of short-term capital that caused untold havoc in developing countries not only in Asia, but also in Latin America, Africa and Russia.

Dr Mahathir, who is in Bangkok to attend the 10th United Nations Conference on Trade and Development summit (Unctad-10) will be the first leader to deliver his address after the opening ceremony tomorrow evening.

Asked about Unctad secretary general Rubens Ricuperro's suggestion that short-term capital controls be installed in the country of origin as well, Dr Mahathir said this is something that needs to be examined very carefully.

It is important that proposed measures be studied to see if they indeed can help reduce the risk to developing countries, he said.

Earlier, the Prime Minister told the gathering that Malaysia and Thailand have been able to "eye-to-eye" on most issues and their relations have grown stronger by the year.

He noted that the two countries are both recovering strongly from the economic crisis and are working together to foster closer relations in South-East Asia.

Malaysia has learnt a lot from Thailand over the years, in fact since the time the country's first Prime Minister, Tunku Abdul Rahman, sent government officials here for training, Dr Mahathir said.

The Embassy Complex will serve as a "home away from home" for Malaysians in Thailand, he added.

Built on a 2.4ha site in the centre of the city, the Embassy offices and staff quarters' design, architecture and decorations reflect both Malaysian and Thai cultures.

Dr Mahathir will hold several bilateral meetings tomorrow and, together with other Asean leaders, will meet UN Secretary General Kofi Annan for the first time as a group.

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