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PM shares development strategy with businessmen

Ahmad A. Talib in Cairo

CAIRO, Sun: A visit to a carpet weaving factory in Ramadan City, about 70km from here, was among the first items on Datuk Seri Dr Mahathir Mohamad's schedule since the Prime Minister arrived here on Saturday.

He spent half a day at the factory where he was given a first hand look at carpet weaving, one of Egypt's main industries.

Dr Mahathir also visited a stable just outside the factory before addressing a group of about 50 Egyptian businessmen, many of whom were eager to learn from Malaysia's industrialisation programme.

Owner and chairman of the carpet weaving factory, The Oriental Group, Mr Mohamed Farid Khamis, played host to the tour.

Dr Mahathir, accompanied by his wife, Datuk Seri Dr Siti Hasmah Mohd Ali, is here to attend the 10th Heads of Government summit of the Group of 15 (G-15).

The factory visit is typical of the Prime Minister's programme on such overseas tours.

In the evening, Dr Mahathir joined other heads of government to witness the opening ceremony of the G-15 trade fair by Egyptian President Hosni Mubarak at the Cairo Trade and Exhibition Centre.

It is customary for a trade fair to be held to coincide with the summit, no matter where it is held.

In his address to the businessmen, the Prime Minister gave the historical perspectives to Malaysia's industrialisation attempts starting with import substitution.

He then took the audience to the recent financial crisis which hit East Asia and how Malaysia clawed its way back to recovery.

In Malaysia's early days, Dr Mahathir told the businessmen that bureaucratic hassles had to be minimised and "illegal gratification" of any kind had to be strictly dealt with.

He ended his speech with a note of caution that the Government need to be vigilant always against any foreign attempt at undermining the economy.

"We are still a developing country and with globalisation there is a danger that we may lose control over our industrialisation programme," the Prime Minister said.

Foreign Minister Datuk Seri Syed Hamid Albar, International Trade and Industry Minister, Datuk Seri Rafidah Aziz, and senior Government officials, also toured the factory before returning to the city to see the trade fair.

The fair is supposed to eventually showcase the types of industries found in member countries, but to date the annual fair is best described as a networking facilitator for the private sector in the 17-member association.

G-15 member countries are Malaysia, Indonesia, India, Sri Lanka, Algeria, Egypt, Zimbabwe, Nigeria, Kenya, Senegal, Jamaica, Mexico, Argentina, Brazil, Chile, Peru and Venezuela.

Tomorrow, Dr Mahathir will join other G-15 Heads of Government at the Presidential Headquarters where Mubarak will declare open the summit.

AFP reports: Earlier, Dr Mahathir paid a courtesy call on Egyptian President Hosni Mubarak yesterday.

According to the Egyptian Economy and Foreign Trade Minister Yusef Boutros-Ghali, the two leaders discussed general international economic and financial issues, as well as the coordination of Egyptian and

Malaysian positions during the two-day meeting, Boutros-Ghali said following the end of the meeting.

Boutros-Ghali said Dr Mahathir and Mubarak today discussed the policies adopted by Malaysia when the Asian financial crisis erupted in the summer of 1998.

At the same time, Boutros-Ghali said, the Malaysian leader examined the "possibilities of benefiting from Egyptian experience in the areas of economic reform, development and privatization".

Egypt conceded for the first time in April that it was suffering from an economic crisis. At the time, Mubarak ordered an injection of US\$7.5 billion (US\$1 = RM3.80) over eight months to stimulate the economy.

The Egyptian economy is suffering from a liquidity crisis both in US dollar and Egyptian pound terms, which has provoked a paralysis of economic activity that has been denounced both in the press and in business circles.

Egyptian foreign exchange reserves dropped to US\$15.63 billion in December 1999 from US\$19.80 billion a year earlier.

Nine heads of state will attend the summit, which precedes a meeting of the Group of Eight industrial nations in July.

Host Egypt wants the G-15, celebrating its 10th anniversary, to have a bigger say in global trade talks, but Foreign Minister Amr Moussa said developing nations could only be taken seriously if they were committed to economic reform.

"It is necessary for the G-15 to have a voice that can be heard loud and clear," Moussa told reporters after G-15 foreign ministers discussed a draft communique yesterday.

"But this will depend on the performance of the developing countries and on the need to implement economic reforms which will let us become partners. No country wants to depend on aid." The Cairo summit will discuss Iran's application to join the group.

G-15 nations contribute about 8 per cent of the world's gross economic product of US\$27.8 trillion and are home to nearly a third of the planet's population. Many members, particularly those in Africa, are head over heels in foreign debt which they want written off.

G-15 nations are preoccupied with the likely impact of World Trade Organisation rules that will expose their emerging economies to fierce global competition in the next few years.

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