

15 APR 2000

G77-DECLARATION

SOUTH LEADERS WANT URGENT REFORM TO INTERNATIONAL FINANCIAL SYSTEM

By: E.Sivabalan

HAVANA, April 15 (Bernama) -- The Group of 77 (G-77) developing nations unanimously passed the South Summit Declaration which among others, called for the urgent need to reform the international financial architecture.

The leaders attending the three-day summit which ended here Friday, urged that the reform should make the international financial system "more democratic and more transparent and better attuned to the solution of the problems of development".

The declaration called for the establishment of "a clear programme that goes beyond the mere prevention of finance, trade, technology and development at the international level".

"The return to apparent normalcy of capital markets after the last financial crisis should not lull us into complacency," the document said.

More than 60 leaders from the G-77 consisting of 133 countries attended the summit. Malaysia was represented by Prime Minister Datuk Seri Dr Mahathir Mohamad.

The leaders also called on the multilateral financial institutions to take appropriate and timely supportive action to assist developing countries with limited or no financial markets from having to suffer very serious effects of financial volatility.

They recognised the need for their countries to continue with their efforts towards economic reforms to enhance sustained economic growth and sustainable development.

"We also urge the developed countries to take into account the possible negative impact on developing countries of their domestic economic, monetary and fiscal policies, and to apply measures that are sensitive to the needs and interests of the South," the document said.

The leaders urged all World Trade Organisation (WTO) members to refrain from placing excessive demands on applications from developing nations.

"We recognise that there is a need for consultations among developing countries to promote effective participation in WTO," they said.

They supported the holding of a high-level United Nations Conference on Financing for Development in the year 2001 which should address national, international and systemic issues relating to financing for development in a holistic manner.

The leaders also called for debt reduction arrangements for middle-income developing countries in order to expedite the release of resources for development.

The summit also endorsed the Havana Programme of Action of which the issues raised and agreed upon were similar to the declaration.

-- BERNAMA

ES RM