

01/06/2001

G-15 is a strong organisation now, says Dr Mahathir

Saiful Azhar Abdullah in Jakarta

PRIME Minister Datuk Seri Dr Mahathir Mohamad said the Group of Fifteen has emerged as a strong organisation that is able to "make presentations and protest" against decisions of the developed countries that affect the developing nations.

Speaking to reporters after the conclusion of the G-15 Summit at Jakarta Convention Centre yesterday, the Prime Minister said there was growing interest in G-15 among developing countries.

"There are many other countries which want to join in because they feel its a grouping that is able to air the grievances of the developing countries.

"At the moment, there is no way we can voice our views on decisions made by the G-7 or G-8 which affects developing countries adversely.

"We have no way to give our views and therefore, G-15 has become a strong organisation that makes it possible for us to make our presentation, protest or express different views on matters like the World Trade Organisation," he said when asked about the success of this year's summit.

The Prime Minister, who was among eight G-15 Heads of States and Government who attended the summit chaired by Indonesian President Abdurrahman Wahid, said member countries were determined to see progress in the grouping.

"We are determined to make G-15 more effective. In between the meetings, we felt that there is a need to have a co-ordinating agency," he said.

Heads of states and governments also felt they should keep close contact and meet when there was a need, not just once a year.

Asked whether G-15's acceptance of Malaysia's proposal to set up a panel of experts to study the possibility of reforming the international financial architecture could be considered a success, he said: "I don't know whether you can call it a success or not.

"I think it is a suggeston very well received because everybody thinks that we should have such a study by the experts."

Dr Mahathir said he was satisfied with the outcome of the summit.

"It is a success... you can see that every member country is serious and determined to play an effective role in negotiations which affect the developing countries and their relationship with developed nations."

Asked whether developing countries had contradicted themselves by trying to benefit from information and communication technology and, at the same time, criticising the negative side of globalisation, Dr Mahathir said there was no contradiction.

"The negative sides of globalisation needed to be aired so that people know its harmful effects on developing countries."

Asked to comment on whether the International Monetary Fund's assistance was effective for Indonesia, Dr Mahathir said Malaysia could not make comparisons or pass judgment on whether IMF was helping Indonesia or otherwise.

"It should be judged by the Indonesian people. We in Malaysia only make valuations on our country. In Malaysia, we do not want the help of the IMF."

The Prime Minister was asked to comment on the IMF's decision not to resume lending to Indonesia unless the country amended its central bank law.

Malaysia, unlike some Asian countries, handled the 1997 Asian financial crisis without IMF assistance.

IMF has said it will not resume lending to Indonesia until the controversial central bank law is amended in line with advice from an independent panel of advisers.

Indonesia has largely ignored recommendations from the panel, which includes Reserve Bank of New Zealand governor Don Brash, IMF representative in Indonesia.

The fund suspended its US\$5 billion (RM24 billion) lending programme to Indonesia in December over a number of concerns, including fears that the Government's plans to amend the central bank law would lead to political meddling in the area of monetary policy.

The independent panel made recommendations to Indonesia after a visit last month on how to proceed, but Indonesia's latest draft amendment to go before Parliament does not heed much of the advice.

Both the IMF and the World Bank had raised objections to the plan, which surfaced earlier this year, saying it would increase Indonesia's already huge US\$70 billion foreign public debt, and contravene multilateral lending rules.