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VAJPAYEE-ASEAN

INDIA/M'SIA AGREE FOR EARLY REFORM OF INT'L FINANCIAL ARCHITECTURE

KUALA LUMPUR, May 16 (Bernama) -- India and Malaysia agree on the urgent need for an early reform of the international financial architecture, Indian Prime Minister Atal Bihari Vajpayee said today.

He said that the financial and economic crisis in this region in 1997 demonstrated how volatile capital flows could threaten the very existence of even vibrant economies.

The recovery process of various countries have also shown that external prescriptions for economic measures or the pace of reform do not necessarily guarantee economic recovery or economic stability, he added.

He said this in a talk on "India and Asean: Shared Perspective" organised by the Institute of Diplomatic and Foreign Relations here.

Vajpayee said that in his discussion with Prime Minister Datuk Seri Dr Mahathir Mohamad, both had agreed on an early reform of the financial architecture.

On India's part, there was concern that some of the most vital issues of development and poverty alleviation are in danger of getting marginalised in its hurry to introduce new regimes in trade, investment and intellectual property, he said.

At the US Congress eight months ago, Vajpayee said he had proposed a global dialogue for development which he felt should include such impediments to development such as the international financial architecture and the imposition of harsh timetables for globalisation.

He said that India and Asean are on the same side of the socio-economic divide in the debate on globalisation and India seeks a dialogue bilaterally and multilaterally with countries of the region to harmonise its position on key issues of development, trade and investment and environment.

"Opening up our national economies to global markets cannot become a mantra at the cost of equitable development and social justice," he added.

As for economic cooperation with Asean, Vajpayee said: "Each of our countries has achieved expertise and dominance in certain areas of technology. It is crucial that we should cooperate in exploiting the synergies between us rather than duplicating capacities or undercutting each other."

One example is in having a link up between some of India's software sectors with hardware capabilities of Southeast Asian countries, he said.

He added that other possibilities should also be explored.

Vajpayee said that India is now launching the second generation of its economic reforms, seeking to reach the benefits of the new technologies and new opportunities of globalisation to its entire population.

The immediate requirement for this is infrastructural support in the form of communications, roads, ports and power.

"These are the areas of strength and expertise in the Asean countries and we look forward to their participation in these infrastructure projects in India," he added. -- BERNAMA

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