

01/06/2001

Malaysia's proposal gets G-15 'top priority'

Habhajan Singh in Jakarta

JAKARTA, Thurs: The Group of 15 (G-15) has given "top priority" to Malaysia's proposal on reforming the world financial architecture in its joint communique issued at the end of the leaders' two-day meeting here today.

"I don't know if we can call it a success, but everybody seems to agree we should have experts conduct a study," Prime Minister Datuk Seri Dr Mahathir Mohamad said at a press conference at the 11th G-15 Summit.

Malaysia had at the meeting called for a team of experts to look into how the international financial architecture could be reformed.

In the 39-point document, the G-15 nations noted that the grouping has an important role in energising the momentum for reforms, and expressed concern over the lack of progress on this front to address the risks and challenges of unregulated capital flows.

"We emphasise that the reform of the international financial architecture is long overdue and top priority should be given to measures by both the public and private sectors to prevent future crises," the document said.

The leaders welcomed Malaysia's offer to convene a meeting of G-15 experts to examine the work to date on related issues so that developing countries could better articulate their position at various forums, including the UN International Conference on Financing for Development.

On the future of G-15, the Prime Minister said there is growing global interest in the grouping comprising developing nations from Asia, Africa and Latin America.

"They feel that this is a grouping that can air the grievances of developing countries," he said.

Founded in 1989, its members are Algeria, Argentina, Brazil, Chile, Colombia, Egypt, India, Indonesia, Iran, Jamaica, Kenya, Mexico, Malaysia, Nigeria, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe.

Developed nations through their G-8 or G-7 have been acting almost unilaterally, coming to decisions that adversely affect the developing countries, Dr Mahathir said.

"Individually, we have no way of giving our views or protesting. G-15 is a strong organisation that enables us to make presentations or forward a different view, for example, to the WTO (World Trade Organisation)," he added.

Developing nations are working on a common stand ahead of the decisive WTO talks in Doha in November this year, discussions on which by G-15's trade and economic ministers last week was particularly lively.

On his meeting with Indonesian President Abdurrahman Wahid late yesterday, Dr Mahathir said they discussed bilateral issues like the joint-marketing of palm oil and also the possibility of increased flights between the two countries.

Asked if they touched on the Indonesian political situation, the Prime Minister said it was not brought up.

At the time the two leaders were meeting, the Indonesia Parliament was debating a call for a special session to consider impeachment of the President.

The People's Representative Assembly (DPR) subsequently decided overwhelmingly to recommend that the People's Consultative Council (MPR), the highest legislature body of the country to proceed with the process.

On economic cooperation between the two countries, Dr Mahathir said Malaysian companies were continuing to work with their Indonesian counterparts, resulting in significant transfers of technology.

"We are prepared to provide training in various IT-related fields," he said, adding that the offer was not limited to Indonesia.

The Prime Minister attended a meeting of the Group of 77 before leaving for Kuala Lumpur in the evening.

(END)