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G8-MAHATHIR

MAHATHIR SAYS ENLARGED G8 SUMMIT USEFUL

By: Yong Soo Heong

LAUSANNE, June 2 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad has described the first-ever Enlarged G8 Summit as useful for it has provided an effective and useful dialogue between rich and developing countries.

"It was something that had gone in the right direction and it was certainly much more than what we expected," he said when asked on the outcome of the informal meeting on Sunday.

This was the first time that the (Group of Eight) G8 leaders were meeting many of their counterparts from developing countries at a G8 forum.

French President Jacques Chirac had invited leaders from 12 developing countries, including Malaysia, and its neighbour, Switzerland, as well as four international agencies to exchange views on a wide range of matters with their G8 counterparts.

Dr Mahathir told Malaysian journalists that the G8 leaders appeared to have taken note of the views from developing countries in their deliberations.

The prime minister said he also proposed that the Enlarged G8 Summit format be continued and that US President George W. Bush, who would preside over G8 next year, had given his undertaking to continue with the informal talks.

Dr Mahathir, who is also chairman of the Non-Aligned Movement (NAM), recalled that this was the first major break for South countries since two years ago when the NAM chairman only managed to submit a memorandum to the G8 Summit in Tokyo.

Getting one's views put across was important because it would mean that the G8 would not act unilaterally as was the case some years ago when it was decided at a Group of Seven meeting (before it became G8) that the Japanese yen should be revalued to reduce Japanese exports abroad as many countries had trade deficits with Japan.

However, Dr Mahathir said the move by Japan caused even more hardship when loans denominated in yen went up by as much as three times just because the G7 decided that the value of the yen should go up.

He said had there been a dialogue like the Enlarged G8 Summit, this would not have happened.

Dr Mahathir said the enlarged summit was effective and very useful as there were positive views from the eight rich countries as well as the international agencies like the World Bank and International Monetary Fund.

The prime minister also said International Monetary Fund managing director Horst Kohler praised Malaysia, Brazil and Mexico for their financial management and reform of their financial institutions.

"We have recapitalised our banks, made them more transparent, dealt with non performing loans and generally we have improved the business climate in Malaysia," said Dr Mahathir.

Asked what issues he raised during his intervention with the other leaders, Dr Mahathir said he commented on the US\$15 billion (RM57 billion) pledge by the United States to fight HIV/AIDS and said that international efforts should be undertaken to combat new diseases.

Citing the Severe Acute Respiratory Syndrome (SARS) outbreak, he said it still did not have any vaccine as yet and the nature of the illness was still unknown.

He said if there were no collaborative efforts internationally to

combat new diseases, there was a possibility that the world would see a pandemic because it was easy for people to travel thousands of kilometers very quickly.

Asked on the tone of the meeting, he said the leaders avoided confrontation and controversy.

The Iraq question was not asked, he said. Many had expected the US-led invasion of Iraq to be a divisive issue at the G8 forum.

"Everyone was in their best behaviour," he said, adding that Chirac had cleverly chaired the meeting.

Referring to his bilateral meeting with Russian President Vladimir Putin on the sidelines of the informal summit, he said they saw eye-to-eye on many international issues.

Putin, who is scheduled to make an official visit to Malaysia soon, seemed very keen to come, Dr Mahathir said.

During Putin's intervention at the Enlarged G8 talks, Dr Mahathir said the Russian leader had mentioned Malaysia quite a number of times in positive light and said it could be an example to African countries.

"He (Putin) is willing to listen to our views, we should take advantage of that," he added.

Asked whether he spoke to former IMF managing director Michel Camdessus now that international agencies like the IMF were saying that Malaysia's selective capital measures were appropriate, Dr Mahathir said, "We are not going to gloat about it. The world acknowledges that."

Dr Mahathir said now that the US dollar was under attack, partly by currency traders, the US Securities Exchange Commission was talking about the need to control currency trading and that currency traders should be compelled to be more transparent.

The SEC's stand was that while currency traders deal in so much money, their dealings were yet not accessible by the authorities.

"We said that five years ago and now they (SEC) are saying it. We are now exonerated." -- BERNAMA

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