

03 SEP 2003

IMF-VOICE

MALAYSIA, EMERGING MARKETS TOLD TO BE A VOICE IN THE IMF

By: Muin Abdul Majid

PUTRAJAYA, Sept 3 (Bernama) -- The International Monetary Fund (IMF) wants Malaysia and other advanced emerging markets to really be a voice in the organisation towards finding collective solutions to economic and financial problems.

Stressing that the Washington-based IMF was a multilateral body, IMF managing director, Dr Horst Kohler, today said that the answer to many problems in the world lied in "more multilateral cooperation, not less."

"I hope that Malaysia, a member of the IMF, will discuss with us what kind of steps we have to take further to make the international financial system more stable and to give emerging market countries a better chance to participate in the global process with less crisis and more stability," he said.

He was speaking at a media conference after calling on Datuk Seri Dr Mahathir Mohamad at the Prime Minister's Office here.

Dr Kohler, who took over the helm of the IMF on May 1, 2000 from Michel Camdessus, said in this manner, the IMF could obtain more input as to how it should tailor its policy advice according to the conditions of specific countries.

Noting that he had the obligation to care about the stability of the international financial system, he said it was not his mandate to "work against countries or ideas of countries which they feel are in their legitimate interest to develop."

The Polish-born IMF frontman is here at the invitation of Dr Mahathir who met him at the Group of Eight (G8) Summit in Evian in France last June.

Queried on the perception that the IMF would always be subservient to the United States, he said he could not ignore the fact that the US was a major shareholder in the IMF.

"I have to take this into account otherwise I would be a totally unrealistic managing director," he said.

However, he said this would not stop the IMF from its endeavour to make globalisation work for the benefit of all.

"This means that I give emerging market countries and poor countries, and their legitimate interests, as much attention as I give to those of advanced countries," he said.

Earlier, at a discussion with Malaysian business editors at the Ministry of Finance here, Dr Kohler said the IMF needed to be more focused on the interdependence aspect of economies.

"And that means that it is no longer possible that we preach to emerging market economies what they have to do in terms of structural reforms," he said.

Dr Kohler noted that IMF had to be more serious with the recognition that the diversity of people, cultures and traditions should not be understood as an impediment to growth or improving living standards.

At the media conference, he said Malaysia had come so far after having to face the 1997 Asian financial crisis, registering strong economic performance.

"I am struck by what I saw in terms of infrastructure, about the momentum of the economy and the resilience of the economy, not least in the context of the slowdown in the major economies in the last three years," said Dr Kohler who is on his first visit to the country.

"Malaysia has achieved a lot under the leadership of Dr Mahathir and I

am the first to express my respect and admiration for these achievements," he added.

Dr Kohler said he learned a lot from his talks with the prime minister, whom he described as "somebody who knew the direction for his people." --

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