



**GROUP OF FIFTEEN**  
**The Summit Level Group of Developing Countries**

**VII SUMMIT**  
**OF THE HEADS OF STATE AND GOVERNMENT**  
**OF THE GROUP OF FIFTEEN**  
**Kuala Lumpur, Malaysia**

**JOINT COMMUNIQUE**  
**Adopted on 5 November 1997**

1. We, the Heads of State and Government of the Group of Fifteen, met in Kuala Lumpur, Malaysia, on 3-5 November 1997, for our Seventh Summit, when we welcomed Kenya as a new member of our Group. We jointly reviewed the evolving process of globalization and its implications on developing countries, and reached the following conclusions.
2. The impact of globalization on the future direction of the world economy and, in turn, the economic fortunes of nations has been at the top of the international agenda in recent years. Globally, we continue to witness the expansion of trade; the increase of international capital movements, including foreign investment; the greater interconnection of financial markets; and the growing share of transnational enterprises in total economic activity. We recognize that the growth prospects of all countries, especially developing countries will largely depend on their ability to participate positively in this emerging global economic system. It is also our belief that the greatest instrument we have for realizing our goal of improving the living standards of our people lies in providing the environment in which their entrepreneurial spirit can be nurtured.
3. Developing countries represent over two thirds of humanity. They have significant potential in production and purchasing power which can be a locomotive for global growth, as is already so in some measure. Spurring economic growth in developing countries is therefore in the interest of the global economy as a whole. We are committed to a globalization process which leads to a more equitable and sustainable pattern of development, and rapid economic growth. The continued, positive participation of developing countries, including the least developed, in the global economy must be reciprocated by a supportive, fair and non-discriminating international economic environment, in which the developed countries shoulder a special responsibility. This would be in keeping with their greater command over the forces and assets of globalization and ability to direct resource flows for development.
4. Many developing countries are at the forefront of the liberalization process that underlies globalization and have contributed significantly to the growth of world output and trade. Greater access to developed country markets, capital and technology is required to further facilitate our already significant contribution to the global economy.

5. In keeping with our commitment to strengthening South-South Cooperation (SSC), we pledge to continue to take action jointly and individually to assist each other and other developing countries to respond positively to the process of globalization. We will give priority to initiatives which will foster greater dialogue and consultation on matters of global significance between our members and also with the wider community of developing and developed countries, in all fora.
6. Cross-border transactions between our members have been mutually beneficial. We will, therefore, seek to facilitate further flows by identifying new measures and by furthering existing mechanisms for SSC, such as the Global System of Trade Preferences (GSTP). We will also endeavour to identify ways and means to fully realize the benefits of SSC for all developing countries.
7. Special assistance must be given to those developing countries, including the least developed, that are experiencing considerable difficulties in responding to the challenges of globalization and are facing the greatest risk of marginalization. We believe that official development assistance (ODA) is imperative for developing countries, in particular the least developed among them, and cannot be replaced by private capital flows. We stress that foreign direct investment (FDI) and ODA are not substitutes but that they complement and support each other. We call upon the industrialized countries to fulfil their commitment to raise their ODA to at least 0.7 per cent of their gross national product.
8. We welcome the Highly Indebted Poor Countries (HIPC) initiative agreed last year by the International Monetary Fund (IMF) and the World Bank as a significant contribution to provide debt relief to countries facing particularly difficult financial problems. This is a first step which must be implemented immediately and followed by additional measures to assist countries in need.
9. Our Trade and Economic Ministers met during this Summit to consider possible new areas for intra-G-15 economic cooperation, as well as to evaluate issues that are being addressed in various intergovernmental fora, which are of particular concern to developing countries. We welcome and endorse the following recommendations made by our Trade and Economic Ministers.
10. Noting the diversity and the differing levels of development of our countries, we agree to focus on realistic and feasible trade and investment cooperation initiatives, within our existing resources and capabilities.
11. We agree to enhance cooperation in trade and investment facilitation by improving existing mechanisms for information exchange, facilitating business travel including easing of visa procedures, alignment of standards and conformance requirements, simplification of custom procedures and practices, as well as intensifying trade and investment promotion activities.
12. To enhance cooperation, we agree to take further measures to share skills, expertise and technology. To expand trade between G-15 countries, we call upon the private sector to support G-15 initiatives and to strengthen networking through business associations.
13. We also endorse the various mechanisms and approaches agreed by the Trade and Economic Ministers for the implementation of the recommendations.

14. It was also emphasised that it is important for G-15 countries to remain a cohesive group to ensure that their trade and development interests are adequately safeguarded. In this regard, consultations among our countries to prepare for the review/negotiations mandated in the Uruguay Round Agreements and built-in agenda will be undertaken.
15. Furthermore, we regard it critical that the implementation of existing commitments under the Uruguay Round Agreements be accorded priority. In addition, there is a need to strengthen the anti-dumping procedures to ensure that it is not used as an instrument of protection and trade harassment.
16. Our Trade and Economic Ministers will also meet prior to, or during, the forthcoming WTO Ministerial Conference of May 1998 to forge common positions on issues of concern to the Group.
17. The multilateral rules-based system of the World Trade Organization (WTO) provides an important framework for facilitating international trade. However, there is an inherent imbalance in this system, as not all countries have the equal capacity to promote their trade and development interests, and to exercise and safeguard their rights. It is therefore vital that the developed countries speedily and fully implement their Uruguay Round commitments, including the provision in various agreements for special and differential treatment to developing countries. Similarly, unilateral measures, particularly those with extraterritorial effects, are incompatible with a multilateral trading system based on established principles and accepted norms of international law. Our countries will shoulder their responsibilities to ensure a mutually beneficial trading system and we call upon our developed country partners to do the same, particularly in fulfilling their commitments. Equally, we stress the need to ensure the universality of the WTO and, in this context, we call for acceleration in the accession process of developing countries to the WTO.
18. We welcome the recommendations of the High-level Meeting on Least Developed countries held in Geneva in October 1997. In this context, we express our commitment to strengthening the domestic capacity of the LDCs and to promoting cooperation in other areas agreed upon in the Integrated Framework on Technical Assistance with a view to ensuring the integration of LDCs in the multilateral trading system. We reiterate the importance of the follow-up of these recommendations on a sustained basis by the international agencies concerned, particularly, WTO, UNCTAD and the International Trade Centre (ITC) as well as the LDCs themselves. Although the primary responsibility for their development should remain in the hands of LDCs, the process of the Integrated Framework, as agreed upon, should enjoy the highest support and assistance from the international community.
19. We reaffirm the need to supplement market-based strategies for development with social and economic considerations, and technical cooperation. In particular, the international community must do more to assist developing countries, including the least developed, to meet the challenges of liberalization, structural adjustment, infrastructure, capacity-building and human resources development. To this end, we are committed to sharing our experience with, and providing technical assistance to least developed countries (LDCs) within the framework of SSC.

20. Low wages in developing countries are not responsible for the loss of jobs in the developed countries. This has been acknowledged by the G-7 as they have attributed unemployment and economic insecurity in the developed countries to rapid technological and demographic changes rather than to competition from developing countries. Developed countries should address their unemployment problems through the implementation of appropriate macroeconomic and structural policies. Unemployment will not be solved by protectionism. We are committed to promoting core labour standards but reject their use for protectionist purposes. Greater trade and investment between all countries, particularly between the developed and the developing countries, can only generate new sources of growth in the global economy. We have much to gain, not lose, if we strengthen these ties.
21. We acknowledge that FDI can boost the development efforts of developing countries. FDI flows are enhanced through the adoption, at the national level, of appropriate measures. Our countries welcome FDI and are adopting measures to facilitate such flows. We welcome the consultations and studies taking place in the United Nations Conference on Trade and Development (UNCTAD) on the implications for development of a multilateral agreement on investment. We note that an educational process has also started in the WTO to examine the relationship between trade and investment.
22. We will continue to use the framework provided by the Group of Fifteen to identify new opportunities for increasing FDI flows between developing countries. In order to further promote economic cooperation and FDI among G-15 countries, members are encouraged to conclude relevant and appropriate bilateral agreements to that end. We believe that developing country businesses can spearhead FDI flows, as their experience of working within developing-country environments, gives them a better understanding and more realistic expectation of local conditions. We will also endeavour to strengthen public-private sector partnerships within and between our countries through, though not exclusively, the appropriate mechanisms and projects of the Group of Fifteen. We will therefore give priority to greater involvement of the private sector in the work of the Group of Fifteen.
23. Global partnerships between developed and developing countries should be promoted to ensure that developing countries, while receiving increased inflows of FDI, also improve their participation in the development and utilization of new technology. On this basis, FDI can really contribute to the development efforts of developing countries. This is in the interest of all countries, as a more rapid transfer of technology to the developing world will act as a catalyst for economic growth, which will in turn create new business opportunities and markets. In recognition of the importance of technology for development, we will seek to promote further FDI that facilitates the transfer of technology, and to prioritize investments in research & development, human capital and infrastructure. We also acknowledge the important work that the United Nations Industrial Development Organization (UNIDO) is doing in promoting the transfer of technology to developing countries.
24. The United Nations (UN) is the only truly global organization dealing with global issues. The ongoing reform of the UN must not undermine this unique role, and must also ensure that the highest priority is given to development objectives and to strengthening respect for democratic principles in the decision-making structures of the UN. We continue to pledge our support for the work of the UN and its specialized agencies.

25. At the United Nations Conference on Environment and Development (UNCED) five years ago, developing countries stressed that their prime concern is the revitalization of their economies, the eradication of poverty and the achievement of growth that is sustainable both in economic and environmental terms. Yet, five years after UNCED, the United Nations Special Session of the General Assembly recognized that the overall trends for sustainable development are worse today than they were in 1992 and that commitments made at Rio have not been fulfilled. We are disappointed with this lack of progress and will continue to work for the full implementation of Agenda 21.
26. The eradication of poverty through accelerated economic growth and social development on a sustainable basis has become the core issue of our time. The struggle against poverty is a responsibility that must be shared by all countries. We, in the Group of Fifteen, will take our share of that responsibility by intensifying our respective national programmes to alleviate poverty, and by working together and sharing insights in this vital endeavour. At the same time, through our collective advocacy, we will vigorously work for the creation of an international environment that is truly supportive of national endeavours to combat poverty.
27. We will continue to pursue a more positive and productive North-South dialogue at all levels and on all suitable occasions and fora. We welcome the call by the G-7 for new global partnerships between developed and developing countries and the multilateral institutions to ensure that all countries benefit from globalization. Direct, effective and regular consultations between the developed and developing countries including between the G-7 and the G-15 on global macro economic policies are imperative for the sound management of the globalization process and the fostering of beneficial interdependence.
28. The waters of globalization are largely uncharted. As we look towards the future, on the eve of the new millennium, we call upon all countries to join us in steering a course through these waters that will ensure continued economic growth, prosperity and development for the entire world. On its part, the Group of Fifteen reaffirms its commitment to serve as a catalyst for South-South cooperation, by acting as a forum for regular consultations between developing countries, by assisting in the formulation and implementation of programmes of cooperation in the fields of investment, trade and technology, and by pursuing a positive and productive North-South dialogue. We are ready to shoulder our share of responsibility for the development and integration of our countries into the global economic system.
29. We express our appreciation to Malaysia for its able and effective leadership of our Group in the past year. We thank the people and the Government of Malaysia for their warm hospitality and the excellent organization that they have provided for the successful holding of the Seventh Summit of the Group of Fifteen.
30. We welcome with appreciation the generous offers of the Government of Egypt to host the Eighth Summit of the Group of Fifteen in May 1998, the Government of Jamaica to host the Ninth Summit in February 1999 and the Government of Egypt to host the Tenth Summit in the year 2000.

\*\*\*\*\*