

18. In exchanging views on the complex international financial situation, they agreed that it will be necessary to strengthen cooperation as well as to take steps which, by means of the recovery of economic growth and the expansion of foreign exchange income from exports, would increase substantially the ability of the debtor countries to meet their payment obligations.

19. Both leaders expressed concern about the burden imposed on developing countries as a result of the debt crisis and agreed that the situation required attention by the international community. They agreed as well that the debt problems of developing countries should be looked at in both a short term and a longer term perspective paying attention to the need to provide conditions for economic growth. They also indicated that short and long term financial flows should be established in a way that effectively supports the adjustment efforts of these countries.

20. Both leaders examined the world economic situation and noted the strong but varied recovery of economic activity in industrialized countries. They recognized that it is necessary to extend economic recovery to all developing countries and in this regard, agreed on the need for multilateral cooperation to foster trade liberalization and adequate financial flows.

21. The Prime Minister and the President expressed their concern at the lack of progress which in recent years has characterized the North-South Dialogue. They agreed on the need to pursue it more effectively in such a