

[As delivered]

MALAWI

Statement Delivered by

**His Excellency Mr. Steve Matenje, S.C.,
Ambassador and Permanent Representative of Malawi,**

on Agenda Item 51 (a): International Trade and Development

**Second Committee
United Nations
30 October 2009**

Mr. Chairman,

Thank you very much for giving me the floor. Let me begin by thanking the Secretary-General for his report under this agenda item 51(a). My delegation associates itself with the statements delivered by the representatives of Sudan, Nepal, and Botswana on behalf of the G77 and China, the Least Developed Countries (LDCs) and the Southern African Development Community (SADC), respectively. However, allow me to make a few remarks in my national capacity.

Mr. Chairman,

Since 2004, the Government of Malawi has implemented an economic policy that has resulted in many positive outcomes in the country's economy. For instance, inflation has greatly declined, as have interest rates. The exchange rate, too, has been stable for some time. Furthermore, Malawi has recorded real GDP growth at rates of not less than 6% over the past four years.

These achievements have been registered in an environment which has been hostile to economic development for many least developed countries, especially in the past two years. Malawi has not been spared the hostile environment arising from the food and energy crises, and the global and economic crises which resulted in contraction of international trade. For example, in the area of foreign trade, we have seen a decline in revenues from our major exports. This has led to huge negative balances of trade. Furthermore, Malawi's economy still depends on a few agricultural commodities which have always suffered from adverse terms of trade and the vagaries of the climate. The situation is worsened by many other supply-side constraints, which must be overcome if the country is to sustain the gains that it is making in its development endeavours.

Mr. Chairman,

One of the major constraints to trade for Malawi is the narrow export base that restricts its ability to exploit various markets around the world. This is compounded by the high cost of transportation of goods arising from its geographic location as a landlocked country. High transportation costs result in reduced competitiveness of our commodities on international markets.

In this regard, Malawi is continuously directing its efforts towards expanding and diversifying its export capacities, including developing appropriate infrastructure within the development framework of the Southern Africa Development Community, the Common Market for Eastern and Southern Africa and NEPAD.

In this regard, we hope that the implementation of the Almaty Programme of Action for Landlocked Developing Countries would facilitate access to international trade for Malawi and other landlocked developing countries.

Mr. Chairman,

With the advent of globalization, the least developed countries such as Malawi must be assisted to become an integral part of the global economy. In Malawi's vision, production for export trade is key to economic development and poverty reduction.

This vision is clearly outlined in the Malawi Growth and Development Strategy in recognition of the fact that poverty cannot be reduced through welfare transfers but through efficient utilization of production capacities, direct creation of wealth and value adding to our agricultural raw materials and minerals.

Mr. Chairman,

It is for these reasons that we call on the industrialized countries to scale up resources for aid for trade to enable developing countries to build their supply-side capacities so that they may compete favourably on

the international markets. If well managed, aid for trade, would make tremendous difference in the ability of developing countries to trade with the developed countries on favourable terms.

Mr. Chairman,

It is also for these reasons that we call for an early resumption and timely conclusion of the WTO Doha round of trade talks. The continued breakdown of those talks is denying the developing countries access to the development finance they need to achieve the internationally-agreed development goals, including the Millennium Development Goals.

While Malawi believes that the G8 countries hold the key to the resumption of the trade talks, it is the collective responsibility of the international community to enter into genuine dialogue to bring the talks to a successful conclusion in the interest of multilateralism and globalization.

In conclusion, let me underscore Malawi's desire for an international economic and trading system that is fair, equitable, rule-based and capable of enhancing sustainable growth and development in all developing countries. It is imperative that measures are put in place to ensure that economies of the least developed countries are resilient to external shocks to trade. UNCTAD's role in this regard cannot be over-emphasized.

I thank you for your attention.