



Permanent Mission of
Malaysia
to the United Nations

**Statement by the Hon. Dato' Seri Syed Hamid Albar,
Minister of Foreign Affairs of Malaysia
at the Twenty Ninth Annual Meeting of the
Ministers of Foreign Affairs of the Group of 77
New York, Thursday, 22 September 2005**

Mr. Chairman,

I would like to take this opportunity to thank and congratulate you as well as your delegation for the outstanding manner in which you have led our Group for the past year. It has not been an easy task as the year has been an immensely challenging one for the developing countries. Your sterling leadership has enabled the Group of 77 and China to once again continue to promote and protect the interests of the developing countries.

Mr. Chairman,

2. At the Second South Summit held in Doha recently, we had reaffirmed our commitment to act in solidarity and unity in order to protect and promote our collective interests in line with the core principles and aspirations of the Group of 77. While much has changed since the G-77's establishment, much more needs to be done if our vision of giving the developing countries a voice in the global decision making processes as well as the creation of a development oriented, just and equitable international economic system is to be realized. To achieve this, it is imperative that the G-77 continues to play a leading role in the international development agenda as well as participate proactively in all the discussions affecting the developing countries.

3. While we have adopted the Outcome Document of the High- Level Plenary Meeting last week, we now have the onerous task of following-up on the decisions taken by our leaders. Our leaders have deemed the Outcome Document, a work-in-progress. Accordingly it is for us to operationalise their decisions.

4. Malaysia feels strongly that special attention must be paid to the efforts to achieve the Millennium Development Goals (MDGs). As we are all aware, at the

current rate of progress, the MDGs are expected to be realized only in 2147, rather than the initial target year of 2015. In our efforts to achieve the MDGs, we should continue to be mindful of the current as well as the emerging challenges facing us. Clearly, the biggest challenges facing the developing countries is poverty eradication and in the area of financing for development. There are over one billion people- that is one in every six people around the world-who live in extreme poverty, subsisting on less than one US Dollar a day. Over the past decade, some 80 percent of the world's domestic product belongs to the one billion people living in the developed countries while the remaining 20 percent are shared by the other five billion people in the world. Poverty has also deprived more than 100 million children the opportunity of having a primary education.

5. The situation regarding financing for development is as equally worrisome if not critical. More than 30 years ago, the richest countries had committed themselves to provide 0.7 percent of their gross national income (GNI) as Official Development Assistance (ODA), particularly for the poorest countries. However, the amount given had only amounted to a mere 0.25 percent of the combined Gross National Income of countries members of the OECD's development assistance committee (DAC). In this regard, Malaysia welcomes the adoption by the European Union (EU) of clear timelines for reaching the 0.7 percent target. In order to complement this process, we would also like to recall the position taken at the Second South Summit which had urged for the establishment of an effective monitoring mechanism to ensure that the internationally agreed targets for ODA allocation by the developed countries are met and on time. We believe that a small unit within the United Nations can be established for this purpose.

Mr. Chairman,

6. Numerous studies done by bodies such as UNCTAD have shown that the disbursements that the West receives by way of interest payments on debt, trade flows and profits far exceed the investments and ODA that they provide to the poor developing countries. We continue to believe that the international financial system must thus be reformed.

7. Growth and development is also impossible when the environment is not favourable. The asymmetries in the international economic system has also impeded the developmental efforts of the poorest developing countries. Products from the developing countries finds difficulty in penetrating into the markets of the richest countries, owing to serious factors including regulations which may be deemed non-tariff barriers. While ODA is a requisite for assisting the poor to break from the shackles of poverty, it is the provision of the capacity to trade that can best ensure a more permanent solution. We must expeditiously resolve the issue of market access for goods from developing countries. Subsidies in key areas especially agriculture by our partners in the North have further served to distort their trade. Failure to address these issues may result in greater

impoverishment of the poorest, and regression for those countries which have seen progress.

Mr. Chairman,

8. In conclusion, I would like to end my intervention by calling on the member countries of the G-77 who have not fulfilled their financial obligations to expeditiously settle their arrears and also pay their annual contributions on time to enable the G-77 Secretariat to carry out its functions for the benefit of the developing countries. Malaysia, on its part, is prepared to consider increasing its annual contribution to the G-77.

9. Finally, I would like to once again express Malaysia's sincere appreciation to you, Mr. Chairman for your exemplary leadership of the Group of 77.

Thank you.