



Permanent Mission of
Malaysia
to the United Nations

Statement by

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Malaysia

at

The High-level Dialogue
on Financing for Development,
United Nations, New York

Monday, 27 June 2005

(Please check against delivery)

Mr. President,
Excellencies,
Distinguished Delegates.

I note that there is an air of optimism during this second High Level Dialogue on Financing for Development. I also note the progress made since the Monterrey Consensus in moving forward in meeting our development goals.

2. In particular, the decision on debt cancellation by the G8 and the achievement on the part of 5 countries in meeting the 0.7 percent of GNI for ODA are commendable. There has been enhanced commitment on the part of the member countries to implement and achieve MDGs since their adoption in 2000. In all these, the UN has played an important role. The UN remains relevant and many countries look up to the UN to play its role in conducting regular reviews in meeting the MDGs.

3. My country would like to see the UN continuing to play an active role in fostering this global partnership for development and in coordinating global efforts in eliminating poverty and promoting human development. As we welcome the initiatives taken by the UN and donor countries, developing countries need to have the will and courage to build their own capacities. Our own initiatives on good governance, the elimination of corruption, transparency and sound institutions play an important role in meeting our development goals. There is no substitute for this.

4. Two years after the Monterrey Summit, it remains clear that the lack of financial resources has stymied efforts of many developing countries to attain their MDG targets. This high-level dialogue emphasises the importance of maintaining and strengthening the partnership between developed and developing countries in achieving the MDGs.

Mr. President,

5. My Government views poverty a very serious obstacle to human development. In the last thirty five years Malaysia's poverty rate has declined substantially. About half of Malaysian households lived below the poverty line in 1970. This has fallen to about 5 percent at present. Although we have already achieved the MDGs in respect of poverty, indeed, we have already achieved all but one of the broad MDG targets, we have decided that there shall be no more hard-core poverty by the end of this decade. This is a target we have promised our people and we will put all our energies and resources in meeting this goal.

6. For the developing countries, an active and robust private sector can contribute towards sustainable growth and development. Since the mid-80s, my government has undertaken concerted efforts at deregulating and liberalising the economy. The privatisation policy has also been pursued with vigour. The Malaysia Incorporated Concept was introduced to forge a closer relationship between the public and private sectors. An increasingly private sector-led economy has expanded the nation's growth frontier, enhanced the nation's agility to adapt and undertake change, improved efficiency and productivity at a faster rate and has improved national competitiveness, at large.

Mr. President,

7. The challenges facing developing countries, in integrating themselves into the international trading system, lies in their ability to fully and actively participate in the multilateral trading system. In this regard, Malaysia would like to see that the WTO adheres to trade-related issues, which have a legitimate place within a system of multilateral trade rules. Crosscutting conditionalities, such as the tendency to link market access with aid programmes and the linking of labour standards, human rights and environment with trade sanctions in the name of coherence must be rejected. It is imperative that the imbalances and asymmetries, which include the lack of implementation of existing obligations by developed countries in the area of textiles and agriculture; lack of market access and the need to effectively operationalise the provisions for special and differential treatment, be given high priority.

8. Many developing economies including Malaysia have become increasingly integrated with the global economy. From our own experience, we have realized the need to strengthen the country's resilience to external shocks. In this connection, we have put in place prudent banking and financial sector regulations. In addition, we also see the need for countries to be given greater flexibility to introduce innovative measures which can mitigate against damaging effects on their economies. International financial institutions should do more to effectively address the core factors that can cause instability. Efforts that are already underway in the international financial institutions must be accelerated with greater urgency to avert future crises.

Mr. President,

9. In addition to poverty alleviation it is important to ensure that adequate infrastructure is provided to facilitate development. However, the cost of building infrastructure is very high which most poor countries cannot afford. Current sources of financing are inadequate. Therefore, there is a need to seriously consider the setting up of a dedicated pool of international financing for the development of infrastructure in developing countries.

10. Efforts aimed at mitigating the shortfalls in financing for development, such as through South-South Cooperation must be strongly supported. South-South Cooperation has indeed become an effective approach in strengthening partnership and collective self-reliance among developing countries through the transfer of appropriate technology, sharing of knowledge and experience to address development issues such as poverty, income distribution, health, education, trade and investment. My country is fully committed to assist other developing countries through the sharing of experience in development and poverty eradication, albeit on a modest scale through our own bilateral cooperation programme - the Malaysian Technical Cooperation Programme.

11. Malaysia also believes that mobilizing international private capital flows can contribute towards economic growth and prosperity. In this respect, judicious management of private flows is necessary to ensure that incipient domestic industries and businesses are given adequate time to mature and do not face unfair competition. In addition, foreign investors should also initiate and nurture the development of host countries producers. Local small and medium scale enterprises should link themselves and establish meaningful

relationships with multi national corporations so that they can have a share of the benefits accruing by providing necessary and quality inputs and components.

12. Notwithstanding our achievements and the commitments made thus far there is a need to ensure that the progress achieved can be sustained. A conducive international economic environment is also important for the achievement of the MDGs. It is our hope that the developed countries will coordinate their economic policies in a manner that will create a stable macro economic environment and that the benefits of growth will trickle down to the developing countries. The threat to economic stability arising from volatile capital flows, global imbalances and high oil prices have to be addressed

Mr. President,

13. This high-level dialogue on financing for development should strengthen and renew our resolve to achieve the MDG targets to eradicate poverty and bring sustainable development and prosperity to all mankind. It is my hope that when the High Level Plenary is convened in September, we can expect not only a renewed commitment to end poverty and achieve the MDGs, but there will be more firm commitments on the part of donor countries on ODA and trade. The developed countries must also do their part. Development is the responsibility of everyone. Let us pray that our goal of providing a decent life for everyone will be a reality. We continue to place a lot of hope in the UN system in facilitating this global partnership for development and human progress.

Mr. President, I thank you.