



Malaysia

Permanent Mission to the United Nations

STATEMENT BY

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PERMANENT REPRESENTATIVE OF MALAYSIA
TO THE UNITED NATIONS**

AT

THE GENERAL DEBATE OF THE SECOND COMMITTEE

AT

**THE 59TH SESSION OF THE UNITED NATIONS
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(Please check against delivery)

Mr. Chairman,

Let me congratulate you on your appointment as Chairman of this Committee. We are confident that you will be able to steer the work of this Committee to a fruitful and successful conclusion. I also wish to extend my congratulations to the other members of the Bureau. You and the member states together have an important task ahead. My delegation pledges its full cooperation.

2. At the outset, my delegation would like to associate itself with the statement made earlier by the Distinguished Representative of Qatar on behalf of the Group of 77 and China, as well as the statement made by the Distinguished Representative of Indonesia on behalf of the Association of Southeast Asian Nations (ASEAN). Nonetheless, I wish to highlight a number of important issues that are of particular importance and concern to my delegation.

3. I wish to thank Under Secretary General Ocampo for his statement to this Committee last Monday. The statement is indeed insightful and has provided the necessary background for deliberation in this Committee. I concur with him and the outgoing Bureau of the Committee on the need for the General Assembly "to reassert its role in guiding global cooperation in economic, social and environmental affairs" through greater efforts towards enhancing visibility, relevance and effectiveness of its work in particular in this Committee. Many of our leaders have spoken in the General Debate of the General Assembly about reform and revitalization of the United Nations, including the General Assembly and ECOSOC. The Second Committee certainly has an important role to play to contribute to that effort. Malaysia is prepared to participate actively.

Mr. Chairman,

4. Malaysia remains concerned over the negative impact of globalization, in particular on the developing countries. While developed countries have benefited from globalization, many developing countries have not. Indeed they have suffered. The income gap between the richest and the poorest in the world has continued to widen and the number of people living in poverty in the developing countries has also increased. The more vulnerable countries especially the least developed countries (LDCs) that rely heavily on the exports of certain primary commodities have been hit hardest by the negative effects of globalization. This is surely being compounded now by high oil prices which affect the economies of the non-oil producing developing countries.

5. As a nation that depends on trade - 18th largest trading nation in the world - Malaysia considers itself one of the most globalized developing countries. But we have experienced the negative effects of globalization ourselves. We know the pain and frustration which other developing countries are currently experiencing. Therefore, we maintain that globalization should be regulated so that the benefits can be shared by all.

6. Malaysia has always maintained that the international economic system must be fair and more supportive of the developing countries. Globalization needs to be better managed. A new global order to correct the effects of market failures and marginalization

of developing countries is urgently required. Towards this end, my delegation welcomes the report issued by the World Commission on the Social Dimension of Globalization entitled "A Fair Globalization: Creating opportunities for all". It is important that governments study the Commission's recommendations and implement appropriate measures to ensure fair and equitable benefits arising from globalization.

Mr. Chairman,

7. Malaysia believes that fair trade is a crucial instrument for promoting economic growth and sustainable development. We welcome the outcome of UNCTAD XI in Sao Paulo which has focused on measures to ensure that global economic integration leads to development for developing countries. We feel that the current discussions in the WTO must focus on the developmental dimension of trade, as envisaged in the Doha Development Agenda. It is essential for the major economies and trading nations from among the developed countries, to demonstrate a spirit of flexibility and goodwill. The creation of trading opportunities for developing countries should not be viewed as acts of charity, but rather as empowering and enabling developing countries to participate in the mainstream of the world's economy. This in turn would assist developing countries in their efforts to eradicate poverty and in so doing facilitate the creation of a more just, secure, equitable and prosperous global environment.

8. We strongly believe that WTO members must also live up to their Doha commitments to reduce and eliminate export subsidies, and substantially reduce trade-distorting domestic support. Many developing countries have continued to suffer unfair protectionist measures instituted by developed countries. It is clear that the unfair trade policies imposed upon them have resulted in the perpetuation of widespread hunger and abject poverty in the poorer developing countries. My delegation earnestly hopes that the consensus reached on the key areas under the Doha Development Agenda on 1 August 2004 would provide the impetus for moving forward towards bringing maximum benefits to all members, especially the developing countries.

9. Malaysia is fully committed to the achievement of the MDGs. Nationally, we have achieved most of the set goals. Nonetheless we are concerned that unless serious efforts are put in place, it will not be possible for many developing countries to achieve the goals as envisaged by the Millennium Declaration. In this regard we urge the developed countries to fulfill their pledges on the Overseas Development Assistance (ODA) expressed in Monterrey to ensure the achievement of the MDGs. Efforts by developing countries alone to respond to the call to establish conducive national environments to promote economic growth will not succeed without external and international cooperation and assistance. We follow with keen interest proposals for new, innovative and additional sources of financing for development. We strongly support any proposal that will make available additional development assistance to combat poverty and promote human development.

10. Efforts to resolve the debt crisis that has hampered the development efforts of the poorest developing countries, the majority of which are in Africa, must be further enhanced. We welcome efforts undertaken by a few developed countries to address the

problem of external indebtedness of the heavily indebted poor countries (HIPC) in Africa including partial and complete debt cancellation and other bilateral and multilateral arrangements. Malaysia applauds and supports African countries on their commitment and determination to realize the vision and objectives of NEPAD. Many African countries have taken positive steps to integrate the goals of NEPAD into their national development programme. We note for instance that an improved policy environment under NEPAD has led to a more positive outlook for FDI inflows to Africa, although largely in the natural resources sector, in particular oil. However, unless these countries are given adequate and appropriate support and facilities, including market access, we are afraid that all their efforts would be in vain. The recent revelation by the Secretary General that many African countries are lagging way behind the agreed time frame in the implementation of the MDGs is a stern reminder to all of us on the need for greater focus to be given to the plight of these countries.

11. Poverty and as a consequence, hunger, has increased despite the formulation of a global development agenda. In this regard, Malaysia welcomes the New York Declaration on the Action Against Hunger and Poverty of 20 September 2004 initiated by the President of Brazil, to eradicate once and for all the scourge of hunger and poverty, and to explore new and innovative financing mechanisms that will make available additional development assistance to combat poverty and promote human development. In searching for new sources of financing for development, we must not lose sight of the fact that establishment of a new world order is required that would enable the achievement of the goals set in the Millenium Declaration. In short, we also need to simultaneously discuss issues such as a fairer international trading regime as well as the reform of the international financial architecture.

12. At present, the global financial system clearly does not provide a level playing field since big and powerful players can overwhelm and manipulate financial markets. Reforms are urgently needed, for example, to ensure that as small emerging markets liberalise capital account transactions, such liberalization will not result in unstable markets arising from excessive foreign exchange speculation. We have to move from focusing more on ideological to practical issues in the discussion to reform the international financial architecture.

Mr. Chairman,

13. Malaysia attaches great importance to South-South Cooperation. South-South cooperation has the potential to play a significant role in promoting sustained growth and development for developing countries. We have consistently expressed and demonstrated our readiness to share best practices, and our development experience with other developing countries. We will continue to work with other developing countries, the United Nations system and other international and regional organizations as well as partners from among the developed countries to give greater attention to efforts in promoting South-South cooperation.

14. The economic situation of the LDCs, Small Island Developing States and the Landlocked Developing Countries continues to be a cause of serious concern to us. It has been widely acknowledged that supportive and specially focused international policies could assume a crucial role in reducing poverty and improving economic conditions in these countries. Due attention must be given to develop the capacities of these countries taking into consideration their peculiarities and special needs as envisaged in the respective programmes of action.

15. We welcome the convening of the high level International Meeting to review the Implementation of the Barbados Programme of Action (BPoA) for the sustainable development of the Small Island Developing States (SIDS) which will be held in January next year in Mauritius. It is our hope that this international meeting, held 10 years after the first global conference on the sustainable development of the SIDS in Barbados in 1994, will culminate in concrete and practical measures to enable these countries to achieve sound economic growth and sustainable development. Malaysia has positively considered the Secretary General's call for high level participation at the Meeting.

Mr. Chairman,

16. Next year a series of important meetings and summits will take place. The deliberations in this Committee at this session should begin to focus on these events. My delegation will work with everyone concerned to achieve our objectives.

Thank you, Mr. Chairman.