



# Malaysia

Permanent Mission to the United Nations

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STATEMENT BY

AMBASSADOR RADZI RAHMAN  
ALTERNATE PERMANENT REPRESENTATIVE OF MALAYSIA  
TO THE UNITED NATIONS

ON  
AGENDA ITEM 87  
GLOBALIZATION AND INTERDEPENDENCE  
AT

THE SECOND COMMITTEE OF THE 59<sup>TH</sup> SESSION OF  
THE UNITED NATIONS GENERAL ASSEMBLY  
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Mr. Chairman,

Malaysia associates itself with the statement made earlier by the distinguished Representative of Qatar on behalf of G 77 and China. My delegation wishes to join other delegations in thanking the Secretary General for his reports on this important agenda item.

Mr. Chairman,

2. The accelerated pace of globalization during the past few years have caught many countries unprepared, in particular developing countries. Faced by the multifaceted challenges of globalization, including among others, the ongoing pressure to deregulate and liberalize, conflicting domestic policies imposed by their important trade partners and an unregulated international financial architecture, many developing countries find their interests continue to be sidelined.

3. As a trading nation Malaysia has in many ways benefited from trade liberalization and foreign direct investment arising from greater globalization. In fact, Malaysia is placed among the top fifteen most globalized countries in the world, according to the World's Market Research Centre Globalization Index. We fully recognize that globalization is inexorable and nations and people can benefit from and should take advantage of it. Nonetheless, we truly believe that globalization must be properly managed to ensure that its benefits would accrue to all nations in a more equitable manner so that the gap between the rich and poor can be bridged to a more acceptable level. It has been argued that globalization would offer new choices, provide opportunities for the sharing of wealth and encourage creativity and excellence and other ingredients essential for the building of a robust economy. But one needs to be reminded that globalization could also pose the danger of marginalizing many developing countries that lack the necessary capacity to withstand the shocks that often come with greater participation in a globalized world. Malaysia and many other countries had the bitter taste of globalization when the financial crisis swept through Asia and subsequently to other regions in 1997 as a result of the unfettered activities of financial speculators who were able to operate in an unregulated international financial system.

4. The world needs to establish a fair international trading system to enable the creation of a global community that could reasonably share the advantages offered by the process of globalization. The stalemate in international trade negotiations that we witnessed in Seattle and Cancun did not contribute towards helping developing countries to adequately prepare themselves to meet the challenges of globalization. Therefore, the demand by developing countries for a fair international trade and financial rules that are sensitive and responsive to their needs and shortcomings should be heeded by the international community, in particular the developed countries. The global community, especially our

development partners should fully appreciate the positive impact of greater participation of developing countries in a world trading system that contains rules and regulations that are more favourable to promoting exports, investments and steady economic growth for developing countries. In this connection we are encouraged by the agreement reached by the General Council of WTO recently on key areas under the Doha Development Agenda (DDA). We are hopeful that such agreement would provide the well needed impetus to speedily lead to an early conclusion of a fair and mutually beneficial Doha Round. The conclusion of Doha Round that reflects a fair rule-based and equitable multilateral trading system would go a long way in assisting developing countries to respond to the demands and challenges of globalization. Only then can we prevent further marginalization of developing countries in an increasingly globalized world.

Mr. Chairman,

5. Malaysia welcomes the commitments and pledges made by the international community at the major conferences and summits to work towards achieving acceptable standards in social and economic development. The achievement of the Millennium Development Goals (MDGs) would definitely set the developing countries on a firmer platform to meet with the challenges of globalization. Malaysia further welcomes the commitment towards finding solutions to the problem of financing for development, including ODA and new innovative methods of financing.

6. My delegation shares the concern of the Secretary General that one of the major obstacles to achieving development goals in a globalizing environment is the lack of policy coherence at the national, regional and global levels. In this connection, we would like to reemphasize that one should not have policies to give with one hand and take with the other and that one should not design rules to liberate and yet creating new barriers.

7. In promoting institutional and policy coherence, we also believe that more efforts should be put to the areas of crisis anticipation and prevention. This is particularly so in the area of managing the role of the international financial system to monitor and detect any possible crisis that could undermine national economies and the larger regional or global economic environments. We support the idea that international financial institutions, particularly the IMF, while maintaining surveillance on developing countries, should also apply closer surveillance on the policies of major developed countries that have a greater impact on the global economic scenario. Of equal importance is the need to improve information and transparency through greater participation of the developing countries in policy formulation including on the role of international and multinational financial institutions.

Mr. Chairman,

8. The revolution in information and communication technology (ICT) is also an important dimension of globalization. The wide digital divide between the developed and developing countries cannot be ignored since ICT has become an important tool in promoting development and an essential means of interaction in the current globalized environment. We need to recognize that the advancement of ICT and the application of its usage are usually closely linked with the level of economic development of a country. Necessary measures need to be taken to bridge this digital divide. We welcome efforts such as the convening of the World Summit on Information Society (WSIS).

Mr. Chairman,

9. Malaysia acknowledges that developing countries too have the obligation to ensure that the necessary conditions to enhance domestic resilience and capacity such as good governance, policy coherence, investment in health and education, sound macro-economic and fiscal policy, poverty eradication programmes and many other development promoting measures, must be well in place and implemented. Investment in education with emphasis on science and technology must be given priority. Due attention must be given to the strengthening of domestic institutions and drawing up essential legal framework, rules and regulations to ensure resilience in the face of challenges posed by globalization. It will also be crucial for the developing countries to work together with the development partners and the UN system to reshape the process of globalization so that globalization will truly promote economic growth and social development globally. Efforts to enhance policy coherence should provide greater policy space for developing countries to enable them to gradually integrate with the global economy, applying their own suitable means and at their own pace when they are ready.

Mr. Chairman,

10. Malaysia looks forward to a more non-discriminatory, participative, equitable, and inclusive globalized world, and in this regard, would expect cooperation from those who have the capacity and the power to decide and act on this common responsibility. Malaysia believes that in managing and taking advantage of the challenges and opportunities of globalization, efforts must be made at the international, regional and national levels. Globalization, when pursued responsibly, would result in a win-win situation that would benefit all parties.

I thank you Mr. Chairman.