



**INTERVENCIÓN DE LA DELEGACIÓN DEL URUGUAY EN NOMBRE DE
LOS ESTADOS MIEMBROS DEL MERCOSUR –Argentina, Brasil, Paraguay y
Uruguay- Y SUS ESTADOS ASOCIADOS –Bolivia y Chile-**

Segunda Comisión

Tema 91 (d): “Cuestiones de Política Macroeconómica: El Sistema Financiero
Internacional y el Desarrollo”

Nueva York, 24 de octubre de 2003
(vale texto leído)

**INTERVENTION BY THE DELEGATION OF URUGUAY ON BEHALF OF THE
MEMBER STATES OF MERCOSUR –Argentina, Brazil, Paraguay and Uruguay -
AND ITS ASSOCIATED STATES –Bolivia and Chile-**

Second Committee

Agenda Item 91 (d): “Macroeconomic Policy Questions: International Financial System
an Development”

New York, October 24th 2003
(Check against delivery)

Mr. Chairman,

I have the honor to speak on behalf of the member countries of MERCOSUR, Argentina, Brazil, Paraguay, and Uruguay and the associated States Bolivia and Chile on agenda item 91(d), "Macroeconomic policy questions: international financial system and development".

The marked slowdown in the global economy witnessed since the end of the 20th and beginning of the 21st century has impacted negatively on developing countries, leading to a sharp deterioration in the social conditions of their peoples.

One of the factors that impacted most heavily on the developing countries, and on our region in particular, was the deterioration in the international financial situation, which led for the sixth consecutive year to a net transfer of resources abroad never before witnessed, which in Latin America and Caribbean amounted to 39 billion dollars or 2.4 per cent of gross domestic product. The result has been a sharp drop in imports and investments, compounded by sluggish global trade and the lack of progress in the WTO multilateral negotiations.

This situation must be reversed, which will require national and international measures to restore financial stability by reducing the excessive volatility of capital flows and strengthening monitoring and evaluation mechanisms for the prevention and resolution of crises and the risk of spreading.

We support all efforts to reform the international financial architecture, provided that they include greater representation of and participation by developing countries in decision-making and in the establishment of norms that help to reduce vulnerability to financial crises and their spread, as well as in the matter of the "sustainability of the debt" of low- and middle-income countries.

The normative framework of financing for development that emerged from the Monterrey Consensus must be implemented and requires a coordinated effort on the part of all actors, including the private sector and civil society, at the national, regional and international levels. We welcome the leadership role being played by the United Nations in promoting forums for dialogue and joint work with development, financing and trade organizations, such as the annual spring meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization and the high-level dialogue of the General Assembly on financing for development that will take place next week.

MERCOSUR and associated States recognized the importance of harmonization of the goals and mechanisms of macroeconomic convergence in strengthening the process of integration and to that end created in 2000 the Macroeconomic Monitoring Group, which has been working at a technical level on various common issues, with a view to ensuring closer coordination of macroeconomic policies among member countries.

Mr. Chairman,

We believe that we must seek the necessary balance between the macroeconomic adjustments that lead to economic stability and the social aspects that affect our populations, in particular the poor. If we address the first, to the detriment of the second, we will provoke social discontent and perhaps place at risk the democratic stability that is necessary for sustainable development in our countries.

Thank you very much.