



Malaysia

Permanent Mission to the United Nations

STATEMENT BY H.E. AMB. HUSSEIN HANIFF, PERMANENT REPRESENTATIVE OF MALAYSIA TO THE UNITED NATIONS ON AGENDA ITEM 18: FOLLOW-UP TO AND IMPLEMENTATION OF THE OUTCOME OF THE 2002 INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT AND THE 2008 REVIEW CONFERENCE: FIFTH HIGH-LEVEL DIALOGUE ON FINANCING FOR DEVELOPMENT AT THE PLENARY OF THE 66TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK, 7 DECEMBER 2011

Mr. President,

Malaysia would like to associate itself with the statement delivered by Argentina on behalf of the G77 and China, and by Indonesia on behalf of ASEAN.

Mr. President,

2. My delegation would like to express our appreciation to you Mr. President for convening this fifth High-Level Dialogue on Financing for Development. The convening of this dialogue is timely and the theme chosen “The Monterrey Consensus and Doha Declaration on financial for development: status of implementation and the tasks ahead” is most appropriate. The dialogue is pertinent given the ongoing financial crisis and the uncertain global economic outlook that had adversely affected development in particular the developing countries. For the above reason my delegation wishes to remain engage in this discussion.

3. The convening of this Dialogue will in no doubt provides us with an opportunity to map out appropriate policy actions in addressing the development challenges faced by all countries in particular the developing countries as contained in the Monterrey Consensus and the Doha Declaration on Financing for Development.

Mr. President,

4. The mobilization of **domestic resources** remains as the primary source of financing for development. Developing countries, in particular the less developed economies require the right policies in place to capitalise fully the potential of the domestic resources. At the same time, there is also a need to continue to undertake fiscal reform, including the broadening of the tax base, reform of the tax administration and enhance capacity to combat tax evasion. While every country has its own tax regime it is also pertinent for countries to enhance international cooperation to support the national initiatives to improve their tax regime.

5. Malaysia welcomes greater mobilization of **international resources** with the strong revival in private capital flows as highlighted in the Secretary-General report. We are also

encouraged that there are signs of greater diversification of FDI and other private flows to the developing countries in particular the high investment inflow in Africa as compared to a decade ago. Despite this positive development, we remain wary on the uneven distribution of FDI among the least developed countries with over 80 per cent of the capital poured to resource-rich economies in Africa. To address this imbalance, there is a need to reenergize the provision of export credits and other lending instruments, risk guarantees and business development services to those disadvantaged countries.

Mr. President,

6. Malaysia as a trading nation firmly believes that **international trade** can play a vital role in promoting growth and development. For the above reason, Malaysia is encouraged by the Secretary-General's positive projection on global trade growth by about 7 per cent in both 2011 and 2012. However, we are concern that the growth prospect for the short-term outlook has been clouded by a number of significant risk factors, including the rise in the protectionist measures taken by some countries.

7. In this regard, Malaysia therefore, reaffirms its commitment to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that could contribute to growth and sustainable development. We reiterate our call for all countries to resist tendencies to turn inward in times of economic difficulties as this has far greater negative repercussions particularly for the developing countries. Malaysia therefore, calls upon the World Trade Organisation (WTO) and other relevant bodies, including United Nations Conference on Trade and Development (UNCTAD) to continue monitoring protectionist policies and to assess their impact on developing countries. We also urge the developed countries to exercise the necessary flexibility and political will to break the current impasse in the negotiations in order to address the needs and interests of the developing countries.

8. Malaysia views that **Aid for Trade**, which aims to enhance developing countries trade capacity and international competitiveness should only complement and not a substitute for the Doha Round or any other trade negotiations outcome. While Malaysia appreciates the recent increase of aid for trade were directed to least developed countries we are also concern that the distribution of aid for trade are only confined to 10 least developed countries. We therefore call for development partners to implement effective trade-related technical assistance and capacity building on a priority basis as agreed at the Fourth United Nations Conference on the Least Developed Countries in Istanbul.

Mr. President,

9. Malaysia is encouraged as alluded by the report of Secretary-General that **debt** indicators had improved in many developing countries in 2010. This is a welcoming sign for these countries as it continues to strive to improve its economic performance. However, the improvement in the debt situation is uneven across regions with 20 countries remain at high risk or are already in distress. At the same time, the spillover effects from the European debt crisis and other risk factors could also significantly affect the outlook for debt sustainability in many developing countries and emerging economies. In this regard, Malaysia welcomes the Secretary-General's suggestion to enhance the financial architecture for debt restructuring to be discussed at the UN taking into account of its impact on the achievement of the Millennium Development Goals.

Mr. President,

10. The ongoing financial crisis had clearly revealed weaknesses in the global economic governance. While we are encouraged by the reform efforts within multilateral financial bodies that helped to rebalance decision-making power in the Bretton Woods institutions there is a need for greater transparency and increasing participation of developing countries in the reform process. It is within the framework of addressing **systemic issues** we would like to reiterate our call for all stakeholders to intensify efforts to prevent further deterioration of the financial system and restore back confidence in the global economic governance.

Mr. President,

11. The Secretary-General's report reflected that despite increase in **aid flows** to the developing countries, many larger donors contributions remain below the UN target of 0.7 per cent of their GNI. Traditional donors have also failed to deliver their commitments to the least developed countries, where the level of ODA is still well below the target of 0.15 to 0.20 of their GNI, by 2015. Pursuant to this, Malaysia therefore, urge those developed countries to fulfill their ODA commitments in line with the calls made at the 2010 Millennium Development Goals Summit as well as at the Istanbul Programme of Action.

12. Malaysia supports the ongoing efforts to identify **new and innovative** sources of development to mobilize additional resources for financing development on a stable, predictable and voluntary basis for the developing countries. However, we would like to stress that these funds should complement and not a substitute to the ODA, and should be disbursed in accordance with the priorities of developing countries.

Mr. President,

13. Malaysia acknowledges the importance of **human capital development** as an impetus towards growth and development. For the above reason, it is committed to continue to learn and share with fellow developing countries, in particular technical cooperation for development, which remains a key element of the Monterrey Consensus. Within the context of South-South cooperation, the Malaysian Technical Cooperation Programme (MTCP) is a vehicle for sharing development experience in which Malaysia has its strengths and experience. To date, more than 20,000 participants from 138 countries have benefited from the programme.

14. Malaysia also promotes South-South cooperation at the enterprise level through proactive efforts of two private sector initiated investment-oriented South-South bodies namely Malaysia South-South Association (MASSA) and Malaysian South-South Corporation (MASSCORP). These two bodies have undertaken various initiatives to promote economic and trade relations between Malaysia and other developing countries.

Mr. President,

15. Malaysia underlines the importance of the United Nations playing a central role in dealing with developmental issues and the implementation of the commitments made at Monterrey and Doha. In this regard, Malaysia stands ready to work with you and other delegations towards ensuring a successful outcome of the High-Level Dialogue on Financing for Development.

I thank you, Mr. President.