



# Malaysia

Permanent Mission to the United Nations



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**Statement by the Honourable Senator Abdul Shukor P. A. Mohd Sultan,  
Member of Parliament and Representative of Malaysia, on behalf of ASEAN,  
on Agenda Item 18: Macroeconomic Policy Questions,  
at the Second Committee of  
the 67<sup>th</sup> session of the United Nations General Assembly,  
New York, 23 October 2012**

Mr. Chairman,

I have the honour to speak on behalf of the ten Member States of the Association of Southeast Asian Nations (ASEAN), namely Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. ASEAN would like to align itself with the statement delivered by the distinguished representative of Algeria on behalf of the Group of 77 and China.

Mr. Chairman,

2. ASEAN's economic performance as a whole has been resilient since recovering from the global crisis in 2008. Both export and domestic demand fueled growth have led to an expansion of ASEAN's economy by 7.5 per cent in 2010, and a modest 4.5 per cent in 2011, despite all the uncertainties in the global economy. The positive, but moderate economic growth was underpinned by resilient domestic demand, strong macroeconomic fundamentals, sound balance sheets of banks and the corporate sector, and on-going structural reforms since 1997. We are confident that our economic expansion would remain healthy this year, with projected GDP growth of between 5.6 percent and 6.3 percent. Nonetheless, ASEAN remain vigilant against downside risks, such as, further contraction of external demand, tighter global financing conditions, higher oil prices, and volatile global capital flows.

Mr. Chairman,

3. Experiences from the financial and economic crisis have highlighted the need to strengthen multilateral economic surveillance, particularly in the financial sectors, policy spillovers and cross-borders linkages. For ASEAN, we have long recognized the need for stronger regional coordination, cooperation and surveillance to address global challenges that affect sustained economic recovery and development. In this context, we have put in place an ASEAN Plus Three Macro Economic Regional Surveillance

Office (AMRO), the regional macroeconomic surveillance unit of the Chiang Mai Initiative Multilateralisation (CIMM) of the ASEAN Plus Three members, aims to strengthen macroeconomic coordination and financial cooperation at the regional level. ASEAN has also deepened surveillance discussions on policy management to large capital flows and inflationary pressures in the region, under the improved Economic Review and Policy Dialogue (ERPD).

4. In facing the current global uncertainty, ASEAN stresses the importance of promoting fiscal soundness for sustainable economic development. In this regard ASEAN continues to accelerate and deepen the economic structural reforms, promote domestic demand and employment, resist protectionism and further promote trade and investment.

Mr. Chairman,

5. ASEAN reaffirms its commitment to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that could contribute to the global 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. ASEAN 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 more developed countries to exercise the necessary flexibility and to show political will to break the current impasse in the Doha negotiations, in order for negotiations to conclude. On this note, ASEAN also would like to welcome the successful conclusion of Lao PDR's membership terms negotiation with WTO, and looks forward for the ratification of Lao PDR's accession to the WTO this coming December.

Mr. Chairman,

6. ASEAN is deeply concerned over the fragility of the global economic and financial situations, especially the financial turbulence that have hit the advanced economies. We worry that this economic and financial malaise would severely impact on the world development agenda especially for those in vulnerable situations, including women and children. The possible repercussions on developing countries, caused by the current sovereign debt crises in Europe, are costly and disruptive. It would adversely impact development, including the capacity of developing and developed countries to mobilize resources for development. The current global downturn holds the potential of further aggravating poverty and threatens the achievement of the Millennium Development Goals by 2015.

7. ASEAN believes that we need to continue to focus on attaining our development goals, including the Millennium Development Goals, with 2015 is fast approaching. Furthermore, the United Nations has also started the preparation for Post 2015 UN Development Agenda and in this regard, ASEAN looks forward to play an active role in its negotiation and consultation. We wish to reiterate our support to the work of the High Level Panel on Post 2015 Development Agenda.

Mr. Chairman,

8. By 2015, ASEAN aims to realize a single market and production base that includes the progressive liberalization of our financial services sector, as well as integration of our capital markets. ASEAN has progressed in delivering the commitments we made to deepen the integration of ASEAN's markets under the Roadmap for Monetary and Financial Integration of ASEAN. ASEAN is committed to take more concrete steps to achieve the goals of the ASEAN Economic Community (AEC). In this connection, ASEAN is to operationalize the USD485.2 million, ASEAN Infrastructure Fund (AIF) this year, as well as the launching of initial projects for the Credit Guarantee and Investment Facility (CGIF).

9. ASEAN has put a strong emphasis on ASEAN economic integration which would boosts regional trade and investment. Principally, these ASEAN integrations are very much remains a South-South cooperation project to support all ASEAN member states at various development stages within the region. It is our hope that this will contribute to ensuring that ASEAN attains the needed economic growth towards achieving the MDGs by the year 2015.

Mr. Chairman,

10. In closing, ASEAN would like to reiterate that the importance of strengthening of the global economic governance cannot be overemphasized. The role of the UN, as the only global body with universal participation and unquestioned legitimacy, should be further strengthened to ensure it remains relevant. We believe that the processes being undertaken by regional groupings, such as ASEAN, and other relevant international financial institutions and organizations, are mutually reinforcing, with our work here in the UN. Therefore, we emphasize the importance of strengthening macroeconomic dialogue and coordination as well as financial cooperation at the regional and global level. It is imperative that we work together and coordinate efforts to encourage sustained, inclusive and equitable economic growth.

Mr. Chairman,

11. ASEAN stands ready to work with all partners to achieve our shared goals for a more just, peaceful and prosperous world.

I thank you.