



MALAYSIA

PERMANENT MISSION TO THE UNITED NATIONS



CANDIDATE
to the
UNITED NATIONS
SECURITY COUNCIL
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**STATEMENT BY
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PERMANENT REPRESENTATIVE OF MALAYSIA
TO THE UNITED NATIONS**

**AT THE 6th HIGH LEVEL DIALOGUE ON FINANCING
FOR DEVELOPMENT
AT THE UNITED NATIONS, NEW YORK
NEW YORK, 7 OCTOBER 2013**

Mr. President,
Excellencies,
Ladies and Gentlemen.

At the outset, I would like to congratulate you for the convening of the 6th High Level Dialogue on Financing for Development, focusing on the status of implementation and future tasks of the outcomes of Monterrey, Doha and other major UN conferences and Summits. Malaysia wishes to align itself with the statement delivered by the Permanent Representative of Fiji on behalf of the G77 and China. I also wish to thank the UN Secretary-General on the timely and updated report on the same topic, which has provided us the insight of the current state of global financing for development.

Mr. President,

2. The report highlighted some major concerns which are shared by my delegation. As a developing country that had to endure the global financial crisis in 2008, Malaysia is of the view, that the current progress made by international community in addressing development issues, are inadequate. Malaysia is concerned with the fact that ODA to the developing countries, fell for two consecutive years. ODA remains critical for countries with insufficient funds for development, in particular the LDCs and countries recently graduated from LDC. These are all agreed commitments which has yet to be fulfilled and would be a great help for these countries in achieving their MDGs.

Mr. President,

3. The Monterrey Consensus stresses the importance of private international capital flows, particularly foreign direct investment. Malaysia, as a progressive developing nation, relies on FDIs to strengthen its capital market and in turn will drive national development efforts. Despite the growing needs for investment to finance development, long-term investment by international investors, appears to have been declining. Globally, FDI decreased by around 18% from 2011 to 2012. Net FDI flows to developing countries are estimated to have fallen around 4%, from US\$437 billion in 2011 to US\$419 billion in 2012. And to add to this concern, is the fact that a significant portion of

the FDI is invested in short-term investment which could reverse more quickly than expected in an uncertain economic and financial climate.

4. The weakening of major Asian currencies, including Malaysian ringgit, against major-economy currencies in recent weeks, is clear evidence of the risks of short-term investment on national development efforts. The trend is mainly attributed to the widespread capital withdrawal from emerging Asian economies back to developed nations, in particular the US. In the case of Malaysia, the ringgit has depreciated quite substantially against several major currencies in recent weeks. As of 23 August 2013, the ringgit had depreciated by about 7.6% year-to-date against the US dollars, a decline of 3.7% against the British pound and a depreciation of 8.6% against the Euro.

Mr. President,

5. Malaysia remains concerned with the current global economic situation surrounding the EU and US as well as the recent contagion risk concerning emerging economies. Malaysia hopes that the economic woes faced by developed countries would not cause the world to enter into a new global recession, as it will affect Malaysia and the global economy, in which will jeopardize the progress of development in countries in vulnerable situations. Therefore, Malaysia urges European countries to make progressive steps to resolve its debt crisis.

6. Malaysia looks forward to further enhancing trade and investment relations between Malaysia and the member states of the UN. Malaysia views international trade as an engine for development. However, the recovery in world trade following the financial crisis lost its momentum in 2012. World trade grew by only 2.0%, down from 5.2% in 2011. The deceleration is associated with weakening demand, in particular in developed countries. Many of the trade restrictions introduced in 2008, remain in place, and only 19% have so far been eliminated. In this regard, a fair multilateral trading system is essential to ensure sustained growth in global trade and create new market access and opportunities for developing countries.

7. Malaysia looks forward to the expeditious conclusion of the World Trade Organization (WTO) Doha Round of multilateral trade negotiations, as this would help to reduce further protectionist measures and contribute significantly to a more equitable and inclusive growth. Malaysia hopes that the Ninth Ministerial Conference of the World Trade Organisation, scheduled to take place in Bali in December 2013 will provide an opportunity to advance the Doha Round of trade negotiations and break the longstanding impasse.

Mr. President,

8. To conclude, I wish to reiterate the G77 and China's call for the establishment of an appropriate follow-up mechanism within the United Nations system, to ensure coherence in policy making and the implementation of commitments for financing for development. This mechanism will monitor its progress and achievement, in addition to providing support to the implementation of internationally agreed development goals. The reform process of the international monetary, financial and economic institutions should continue, and fully address the shortcomings of the current architecture, towards a more inclusive framework of global economic governance. Malaysia wishes to underline the importance of the United Nations having the central role in promoting matters in regard to development and the implementation of the commitments made at Monterrey and Doha.

I thank you Mr. President.