



MALAYSIA

PERMANENT MISSION TO THE UNITED NATIONS



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**STATEMENT BY
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TO THE UNITED NATIONS**

ON BEHALF OF ASEAN

**AT THE SECOND COMMITTEE
OF THE 70TH SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY**

ON

**AGENDA ITEM 18:
MACROECONOMIC POLICY QUESTIONS
AND
AGENDA ITEM 19:
FOLLOW-UP TO AND IMPLEMENTATION OF FINANCING FOR
DEVELOPMENT (FfD)**

NEW YORK, 26 OCTOBER 2015

Mr. Chairman,

I have the honour to speak on behalf of the ten (10) Member States of the Association of Southeast Asian Nations (ASEAN), namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. ASEAN would like to align itself with the statement delivered by the distinguished representative of South Africa on behalf of the Group of 77 and China. I wish to thank the Secretary-General for his reports presented under these agenda items.

Mr. Chairman,

2. The world trade volume is expected to expand in 2015 by 3.8 per cent. The slow pace of trade expansion reflects that of the global economy. With the major economies facing the risk of “secular stagnation” and China’s economic slowdown increasingly confirmed, weak global demand would continue to weigh on trade prospects. Against this backdrop, ASEAN’s economy has remained relatively resilient in the midst of global uncertainties. ASEAN’s integration efforts to establish the ASEAN Economic Community have contributed to stronger confidence in the region, and consequently to its economic performance since the adoption of the ASEAN Economic Community (AEC) Blueprint in 2007.

3. The region’s collective GDP passed the US\$2.57 trillion mark in 2014, with a near doubling of average per capita GDP between 2007 and 2014. The strong GDP was partly due to the strong growth in ASEAN’s exports, which rose by more than 50 per cent since 2007 to US\$1.3 trillion in 2014. China has emerged as the top destination for ASEAN exports since 2011, standing at US\$150.4 billion or 11.6 per cent of total exports. Intra-ASEAN exports remained resilient at 25.5 per cent of ASEAN’s total exports, which put ASEAN collectively on top of other individual trading partners. ASEAN’s own growth prospects are thus expected to be positively impacted, with estimates of 4.6 per cent in 2015 and 5.1 per cent in 2016.

Mr. Chairman,

4. Preliminary ASEAN statistics put total foreign direct investment (FDI) inflows to the region in 2014 as the highest to date at US\$136.2 billion, a figure which outperformed other regions of the world. The European Union (EU-28) remained the top source of FDI to the region, accounting for 21.5 per cent of the total FDI to the region. Intra-ASEAN FDI also continued to grow and accounted for an increasing share of total FDI inflows to the region, reaching 17.9 per cent or US\$24.4 billion in 2014. This strong growth of intra-ASEAN investment reflects the positive impact of ASEAN economic integration on stimulating investment within the region.

5. Notwithstanding ASEAN’s relatively robust economic performance, we acknowledged that the region is not immune from external dynamics and shocks, from lower growth in developed countries, to heightened volatilities in the global financial and exchange markets. In this regard, ASEAN wishes to reaffirm our commitment to

continue the integration process and build on the region's collective strengths and potential towards a high-growth, sustainable and resilient economic community..

Mr. Chairman,

6. Global commodity markets have been weakening from the peaks recorded in 2011. For many commodity markets including ASEAN, the general downward pressure is also combined with short-term fluctuations. Those developments have had significant impacts on the economies of commodity-dependent developing countries. As if the commodity situation isn't complicated enough, there is also an El Niño phenomenon to add to the mix. ASEAN has been enduring drought conditions over the past few months which stunted agricultural output. Declining prices in agricultural and food commodity markets are eroding farmers' profit margins. Appropriate policies should be devised to allow farmers to increase their productivity, so that they remain competitive in global, regional and national markets. Addressing the constraints on the farmers of developing countries should be considered a way of solving societal problems, particularly poverty and inequality.

Mr. Chairman,

7. ASEAN underscored the significance of the year 2015 as a key milestone in ASEAN's community building process. Despite the challenges faced collectively by the region as well as by individual ASEAN Member States, ASEAN shall continue its resolve to establish the ASEAN Economic Community (AEC) at the end of this year and its commitment towards deeper integration under the AEC's post-2015 agenda. We welcomed continued progress in the implementation of the AEC which has reached 91.5 per cent completion. ASEAN is committed to expedite the implementation of the pending measures and efforts shall be continued towards their full implementation by the end of 2016.

Mr. Chairman,

8. In the aftermath of the financial and economic crisis, ASEAN has accorded a high emphasis on the need to strengthen multilateral economic surveillance, particularly in the international banking and financial sectors. In the face of current global uncertainty, ASEAN stresses the importance of promoting fiscal soundness for sustainable economic development. ASEAN continues to accelerate and deepen the economic structural reforms, promote domestic demand and employment, resist protectionism and further promote trade and investment. The 47th ASEAN Economic Ministers Meeting held in Kuala Lumpur on 28 August 2015 reviewed the progress that has been made in deepening integration between and amongst all ASEAN Member States, particularly in trade in goods, services and investment. ASEAN Economic Ministers also convened their annual consultations with their counterparts from all ASEAN Dialogue Partners, to further strengthen partnerships between ASEAN and other economies, as these external linkages form a key component of the overall strategy for ASEAN to be fully integrated into the global economy. In this respect, we

are encouraged by the significant breakthroughs achieved at the 3rd Regional Comprehensive Economic Partnership (RCEP) Ministerial Meeting on 24 August 2015 and look forward to further progress in the negotiations on substantive market access.

Mr. Chairman,

9. ASEAN is deeply concerned over the fragility of the global economic and financial situations. The current global downturn holds the potential of further aggravating poverty and threatens the implementation of the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development. ASEAN fully subscribes to the aspirations in these outcome documents that speak to the development financing needs of developing countries. We wish to reaffirm that official development assistance (ODA) remains the main source of international financing for development for many developing countries especially the LDCs, LLDCs and SIDS. The current world economic situation makes it all the more necessary for developed countries to fulfill their ODA commitment to developing countries and to provide genuine debt relief to LDCs. Due to the protracted effects of the previous global economic crisis, the economies of developing countries are being affected, and some are becoming more vulnerable to new external debt problems which have resulted in a much slower pace of poverty eradication. Addressing external debt problems of developing countries is thus an important part of international cooperation and the enhanced global partnership for development.

Mr. Chairman,

10. It is the conviction of ASEAN that the United Nations is in a unique position, as a universal forum, to strengthen international cooperation for promoting development in the context of globalization. The integration of developing countries into the global economy will enable them to take full advantage of all their potential for economic growth and development. Therefore, the United Nations must play a fundamental role in the promotion and strengthening of international cooperation and the coherence, coordination and implementation of the internationally agreed development goals. On this note, ASEAN looks forward to playing an active role in the work of this Committee. It is significant that we work together and coordinate efforts to encourage sustained, inclusive and equitable economic growth. We hope that ASEAN in the long run could contribute meaningfully to the global economy while achieving our shared goals for a more peaceful and prosperous world.

I thank you.