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**Plenary Debate of the  
Conference on the World  
Financial and Economic  
Crisis and its Impact on  
Development**

**Statement by  
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to the United Nations**

**At the UN Conference on the World Financial and Economic  
Crisis and its Impact on Development**

**New York, 25 June 2009**

Mr. President,

I should like to begin by extending my delegation's appreciation to you, Mr. President, for the commendable organization of this conference. My delegation joins others in acknowledging its critical importance. Our appreciation also goes to the Secretary General in leading the United Nations system in mitigating the impact of the crisis in developing countries.

Today, the world economy is still grappling with the financial crisis that has affected every country in different ways.

Some have seen declines in trade balances and balance of payments, and rapid increases in unemployment. For many developing countries, its impacts have been even more severe, endangering the achievement of their national development objectives including the MDGs. Poverty and hunger are increasing.

Mr. President,

If there is a silver lining to this crisis, it is a reinforcement of the importance of multilateralism; of a global approach in addressing the financial and economic crises. Indeed, our gathering here at the United Nations reflects our commitment to forward the multilateral process.

This strong collective commitment is reflected in the outcome document to be adopted at the end of our conference. The document provides a platform for an inclusive and transparent multilateral process, to mitigate the impact of the crisis on development, as well as in the discussion of reforming the international financial and economic system.

Indonesia welcomes the international community's urgent resolve, including that of the G-20 leaders, to take concrete actions to address the global financial crisis.

As part of the global thrust, our conference and the follow-up process need to build on efforts that have been made such as in the G20, and regional initiatives. It must ensure continued synergy and harmony of all future actions designed to keep the global economy vibrant, and restoring the working of the national, regional, and international financial and monetary system.

One action of immediate focus at the international level is to limit the impact of the crisis on human development. Developing countries must be assisted in their mitigation efforts, including through providing access to resources for a stimulus package. The United Nations development system needs to be supported to enable them to effectively implement their various mandates and assist developing countries in minimizing the human development impact of the crisis.

Thus, Indonesia's participation in the G20 has been guided by this need to ensure that developing countries efforts to mitigate the crisis are duly supported by the group.

Reforming and strengthening the international financial and economic system and architecture must also be an integral part of the global approach to addressing the crisis. Central to this will be reform of the governance of the international financial institutions, ensuring developing countries and emerging markets have greater voice, representation, and participation in the institutions' policy and decision making process.

It is important for reform to strengthen the IMF ability to implement consistently and even-handedly its core mandates. The IMF should also better undertake independent macro-economic surveillance, and provide effective early warning system. Reforming IMF's lending practice, conditionalities, and their effects on developing countries are also central to ensuring the credibility and effectiveness of the IMF.

Mr. President,

In many regions, cooperation to mitigating the impact of the crisis has proceeded a pace. In the case of ASEAN, we have responded by promptly coordinating our policies and actions, including in adoption of expansionary macroeconomic policies.

Under the ASEAN+3 initiative, we have agreed to implement a US\$ 120 billion bilateral swap arrangements, the Chiang Mai Initiative Multilateralization (CMIM) and to develop a more robust and effective surveillance mechanism to support the operation of the CMIM.

These initiatives may well provide important lessons learnt for efforts at the international level.

Mr. President,

Although the financial crisis has produced a dark cloud over the global economy, the situation in Indonesia has not been completely bleak. We expect GDP growth of 4 to 4.5 per cent in 2009. Our foreign exchange reserves have remained healthy, able to cover our imports.

Much of our ability to endure the crisis has been due to the reforms undertaken as a result of the 1997/98 financial crisis. In addressing the current crisis, we have been more proactive and transparent. To mitigate its multifaceted impact, we have implemented multi-fold programs.

An expansionary budget with a stimulus package equal to 1.4 per cent of our GDP is being implemented. While this will cause an increase in our budget deficit at this time, we recognize the economy must be strongly stimulated to avoid the worst effect of the crisis. We are ensuring foreign exchange stability and confidence in the rupiah, making sure that trade finance is available to protect our trade flow.

Indonesia is also boosting anti-poverty programs that help to reduce unemployment. We are strengthening our social safety net to cushion the impact of the crisis on the poorest of our poor.

Mr. President,

Our focus in addressing the impacts of the global financial and economic crisis on development must not prevent us or to lose sight of other equally detrimental crises and their negative effect on development process. We must therefore address the financial crisis in concert with efforts to overcome the food, energy, and climate change crises.

The response to these crises presents an opportunity to promote efforts for green economic growth. This pursuit is in line with global endeavors to combat climate change. Therefore, we must act together to advance the implementation of the Bali Roadmap and Bali Plan of Action and ensure the success of the Climate Conference in Copenhagen in December this year.

Mr. President,

The international community is called upon to act in unison, commit to reform and strengthen the financial and economic architecture. Long-term solutions to problems that have plagued the global economy for decades can now be attended to in a comprehensive manner with boldness and determination.

Towards that end, we must work to strengthen and re-position the United Nations system at the center of the international social and economic decision making process. The Charter has been clear on this matter. We must act on this and make certain we do not waste this historic opportunity to secure a better development system for all.

I thank you.