



CHECK AGAINST DELIVERY

**STATEMENT**

**by H.E. Mr. Alexandru CUJBA, Permanent Representative of the Republic of Moldova  
to the United Nations at the Conference on the World Financial and Economic Crisis  
and Its Impact on Development**

**29 June 2009**

Mr. President,  
Excellences,  
Ladies and Gentlemen,

I would like to begin my statement by addressing, on behalf of the delegation of the Republic of Moldova, sincere appreciation to you, Mr. President, for convening this timely Conference which takes place at a moment when the world confronts the deepest economic and financial crisis in decades. The genuine interest of the member states in addressing the problem, intensive negotiations on the outcome document and the significant number of delegations taking the floor indicate upon the importance attached to this global challenge.

We convey our gratitude to co-facilitators, Ambassador Gonsalves and Ambassador Majoor, member states being able, under their wise leadership and skilful approach, to reach a consensus on the outcome document adopted last Friday by acclamation.

The Republic of Moldova fully aligns itself with the statements made by the Czech Republic on behalf of the European Union and shares the assessments on the nature of the crisis expressed therein. I will add some comments in my national capacity.

Mr. President,

The scale of the financial crisis that affected industrialized countries and the extent of the meltdown of credit and equity markets that we have witnessed in the recent months were entirely underestimated. The crisis surged across the borders and affected emerging markets all over the world, directly or indirectly, but undoubtedly in a hard way. It has gradually impacted the real sector of the majority of states, degenerating into an economic crisis. While the real estate and financial sectors suffered the most, the crisis turned also to have a "human" face, affecting, as it was mentioned, not only the Wall Street but the main street, too.

Therefore, in order to avoid severe shortages in social and economic development of our countries, it is of paramount importance to step back on track in achieving MDGs. Unfortunately, the progress registered in this regard during the last ten years has been significantly deviated in the last months. Considering the very negative impact of the evolving crisis, it is therefore necessary to achieve the commitments in Official Development Assistance, as well as to identify other adequate responses which would help addressing its consequences. In this regard, we welcome reiteration by a number of delegations of commitments on development assistance from this very rostrum.

We consider it important to perceive the current crisis also as an opportunity, as an incentive to bring together the leaders of the world's major economies to take collective actions necessary to stabilize the

global economy and secure its recovery. The Government of the Republic of Moldova welcomes the outcome of the G-20 Summit, where it was agreed upon a \$ 1.1 trillion package of measures to restore growth and jobs and rebuild confidence and trust in the global financial system.

Mr. President,

The speakers in this hall described the current global crisis as one of the most severe since the Great Depression of the 1930s, with deeper and bitter consequences than the 1998 financial crisis, which affected the Republic of Moldova too. After enjoying a number of years of strong growth and poverty reduction, the Republic of Moldova, as many countries in our region, has been affected by the global economic crisis, people being pushed back into poverty and vulnerability. Furthermore, the last two years of rising food prices, high energy costs, and the global economic downturn were combined in Moldova with natural disasters, as the severe drought in 2007 and floods in 2008, diverting resources from national programs, reducing government revenues and affecting social spending.

Despite this, the Republic of Moldova registered in 2008 a 7.2% economic growth in GDP. And while the Moldovan banking sector was less integrated into the international financial system and the magnitude of the crisis was not as devastating last year as in other parts of the world, concerns related to the effects of the crisis gradually amplified. As a result, the majority of economic indicators in Moldova for the 1st quarter of 2009 were on decline.

According to the National Bureau of Statistics in the January-March period of 2009 the industrial output has decreased by 24 percent, exports and imports declined by more than 18 percent and 25 percent respectively and taxes and fees collected to the state budget have dropped, reducing the incomes and putting pressure on many national projects. In addition, almost all types of transports experienced declines of more than 50 percent, capital investments have dropped down by more than 40 percent, while in construction we registered a decline by 36 percent. Overall, the gross domestic product of Moldova has dropped by 6.9 percent in January-March against the same period of 2008.

In these circumstances, the Government had to identify immediate measures, aimed at attenuating the impact of the current economic and financial crisis in the Republic of Moldova. A set of anti-crisis measures was developed in order to back the national economy's real sector. The Government's actions are focused on preserving jobs, protecting people, and maintaining a stable situation in the financial sector. The Government is ready to provide liquidities to the real sector, continuing the support of small and medium-sized enterprises. Among other measures are the amendments of fiscal policies, launching programmes of backing the constructions sector, attracting foreign sources to develop the infrastructure. In the long run, the exporters will be supported by providing risk-diminishing guarantees, investments will be directed to the energy sector, and the domestic production will be backed by increasing financial support to agriculture and other important areas.

Mr. President,

Undoubtedly, the economic interdependence in today's globalized world has both positive and negative features. For a number of years we have enjoyed the positive part of globalization, but, regretfully, the current global crisis reveals a lot of its gloomy aspects, manifested through a range of phenomena. We are witnessing the negative impact from the economic downturn which affects both developed and developing economies, and economies in transition; declining remittances oriented to developing countries; diminishing of revenues from tourism; contraction of world trade and other negative consequences that must be properly addressed by the international community. Only through our common efforts, genuine contribution of all members of G192 we are going to succeed.

I thank you, Mr. President.