

**STATEMENT  
BY**

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**THE PERMANENT REPRESENTATIVE  
OF THE STATE OF QATAR  
TO THE UNITED NATIONS**

**BEFORE**

**THE CONFERENCE ON THE WORLD  
FINANCIAL AND ECONOMIC CRISIS  
AND ITS IMPACT ON DEVELOPMENT**

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**In the name of God the Compassionate the Merciful,**

**Excellencies Heads of State and Government,  
Your Excellency the President of the General Assembly of the United  
Nations,**

At the beginning of my statement I would like to express to Your Excellency my thanks for your efforts to convene this important conference to discuss the world financial and economic crisis and its impact on development. I am pleased to convey to you the greetings of His Highness Sheikh Hamad Bin Khalifa Al-Thani, The Amir of the State of Qatar and his wishes for a successful and fruitful conference.

The financial turmoil that gripped the United States took recently a global dimension. Its implications have not been confined to the United States and Europe alone, but spread to all emerging market middle-income countries and oil-producing developing countries. In contrast to the previous crisis caused by the failure of the developing countries, the current crisis spread from the developed countries to the developing countries.

While this crisis has started originally in the developed countries, the poorest countries will be eventually the ones to carry the heaviest burden since they are the least capable of taking action to protect themselves. Their best interests must therefore be the main starting point for us to find a solution for this crisis.

As described by the statement of the Summit on the Financial Markets and the World Economy, held in Washington on 15 November 2008, one of the root causes of the current crisis was that during a period of strong global growth, growing capital flows, and prolonged stability earlier this decade, market participants sought higher yields without adequate appreciation of the risks. At the same time, major underlying factors to the current situation were, among others, inconsistent and insufficiently coordinated macroeconomic policies, and inadequate structural reforms, that led to unsustainable global macroeconomic outcomes. All those factors combined contributed to a severe market disruption and ultimately resulted in market collapse.

Although the crisis has started in the financial sector, its initial impact will affect global financial flows to the developing countries. Available current estimates indicate that the global flows would decline by half and the impact of the crisis is being felt now in all aspects of the global economy. The ILO report indicates how the effects of the crisis have been reflected by the increasing numbers of unemployment and decreasing growth rates. In fact, some regions are just beginning to experience conditions of economic contraction whose

impact would have ripple effects affecting other aspects of the global economy. Such conditions would limit the ability of the developing countries to finance their own development from growing exports. The volume of trade is expected to deteriorate and the crisis will limit our ability to provide food security and undertake urgent action to ensure the safety of the environment and achieve real sustainable development.

By the same token, we cannot exclude the possibility of reducing the levels of official assistance to the poorest countries, which would negatively affect their ability to achieve the Millennium Development Goals. Therefore, we will not be able to find solutions to the crisis through fiscal reform only, since such solution would require an integrated approach that recognizes the interaction between all those issues in the context of today's interdependent global economy.

The annual report of the ILO indicates that the number of unemployed workers throughout the world is on the rise and it is now estimated at 50 million people for the current year as a result of the global economic slowdown.

The organization's current estimates indicate also that 45 million new job seekers enter the global labor market annually, which means that the world will need to create 300 million new jobs in the period 2009-2015 in order to accommodate the newcomers into the labor market.

**Mr. President,**

This crisis has highlighted the importance of the international financial architecture and its role in achieving financial stability. We must bear in mind however that the most important goal of the international system is its ability to provide financing to the developing countries. Therefore, when we consider reforming the system it is imperative that we set objectives that make achieving stability and providing financing for development two complementary and mutually reinforcing processes.

Contrary to what the world witnessed in the aftermath of the 1997 Asian financial crisis, the International Monetary Fund was excluded from playing any role in the developed countries response to their financial difficulties. This occurred despite the recent attempts to expand the role of the IMF as global coordinator of the economic policies. Consequently, if the IMF has been unable to play a role in what is considered by far the worst global financial crisis since

the Second World War, then we need to consider introducing far-reaching changes into its role and the international financial architecture.

It is critical to restructure the international financial system in a way that provides adequate resources to the developing countries and does not hinder their ability to develop their domestic resources. Such an endeavor requires reforming the global system so as to reflect the weight and full-fledged responsibility of the developing countries in a manner that is commensurate with their current role in the trade and financial global system.

**Mr. President,**

The initiative taken by the State of Qatar with the Swiss Confederation and the Republic of Singapore includes a program for international research that involves all actors, including States, civil society organizations and businesses, with a view to marshalling their efforts and gathering ideas, suggestions and views to identify the required reforms, necessary amendments, and new bodies, regulations and rules. The State of Qatar has taken upon itself to foster the efforts of this international open-ended group. Finally, I would like to recall that, as a part of its contributions to the promotion of international partnership to help the developing countries achieve sustainable development, the State of Qatar had the honor to host the Follow-up International Conference on Financing for Development, that was held in Doha 29 November – 2 December 2008, which resulted, inter alia, in the consensus on convening this conference on the world financial and economic crisis and its impact on development.

**I thank you.**