

# SAMOA



**STATEMENT BY**  
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**PERMANENT REPRESENTATIVE OF SAMOA**  
**TO THE UNITED NATIONS**

**AT THE**  
**UNITED NATIONS CONFERENCE ON THE**  
**WORLD FINANCIAL AND ECONOMIC CRISIS AND ITS**  
**IMPACTS ON DEVELOPMENT**

**NEW YORK, 25 JUNE 2009**

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Mr. President,

We meet against the backdrop of a financial and economic crisis of unparalleled global proportions since the great depression. With its epicenter in a few developed countries, its reach has now engulfed the entire world. In an increasingly integrated world economy, a crisis of such magnitude recognizes neither borders nor cultures. All economies are affected whether or not they contributed to the root causes of the crisis. Even the strongest and most advanced economies had not been spared.

The repercussions of the financial crisis across the globe have been uneven. Some economies have the capacity and resilience to weather the recession unaided. Others with the influence and status can ride out the temporary setback with the support of friends and financial institutions. The rest, the vulnerable and least able to cope with the dire consequences of the financial crisis on their own, are the most acutely affected. Samoa, a Least Developed Country and a Small Island Developing State belong to this latter category.

Through no fault of theirs, the global recession has compounded the state of vulnerability of the least developed countries and Small Island developing states in the wake of the converging crises of food, energy, climate change and now a global health epidemic.

Mr. President,

These groups played no role in the origins of these crises, yet their global exposure and their increasing inter-dependence with the rest of the world means they are no longer immune from the impacts of such catastrophes. Sadly, their level of economic development and their structural vulnerabilities make their recovery from any crisis, natural or manmade, all the more difficult and painful.

Globally, the financial crisis has put to risk many hard-earned development gains made so far. For most countries, the achievement of national and internationally-agreed development goals will either be delayed temporarily, or derailed for an indefinite period. Not knowing the depth, severity and extent of the financial crisis makes forecasting of how bleak the global economic outlook would be an near impossible task. But there is a single certainty. Limited economic gains by the acknowledged vulnerable groups will be eroded further, causing in some cases a reversal of modest progress achieved to date in their national development efforts.

Mr. President,

The financial and economic crisis is a global problem requiring a global response. It cannot be wished away nor postponed for others to deal with. To be effective, we must act decisively now. Otherwise our efforts will be severely inhibited and

the realization of our development aspirations uncertain. This is why Samoa welcomes this timely opportunity to contribute to the collective search for solutions if we are to avert slipping deeper into a global recession with no immediate end in sight.

Mr. President,

The Outcome Document of our conference represents a consensual synopsis of the financial crisis, its causes, impact, remedial actions and a proposed way forward. These had been agreed inter-governmentally and need no further reiterations. Special mention though should be made of the support by the conference of the current and planned reforms of the global financial and economic governance and the need for increased and meaningful cooperation between the United Nations and the international financial institutions. These represent positive steps that must be heeded and implemented in earnest.

Clearly if these succeed, it will bring forward the stabilization of the global financial system and the world economy with the important dividend of flow-on positive effects on weak and struggling economies such as least developed countries and small island developing states.

Mr. President,

To contextualize the real impact of the present depression at the local level, let me share from my country's experience. In the past, our isolation and limited integration into the global economy shielded us from the direct impact of major external crises. But not anymore. Interconnectedness through the financial markets guarantees that Samoa will be affected no matter what. And the current crisis has clearly demonstrated this.

The immediate and more visible impact of the financial crisis has been on the reduced production and export of automotive wire harnesses to Australia resulting in job cutbacks at the biggest private-sector employer of seventy percent (70%) of the Samoan workforce involved in this activity. The extent of the job losses is a severe blow to the economy and government's employment drive. As well, the closure in September of one of the tuna canning operations in American Samoa will affect our fish exports, and indirectly the level of remittances from this source. Eighty seven percent (87%) of the two thousand plus (2000+) active workforce of the cannery to be laid off are from Samoa. Both examples highlight our inability to influence the outcome of external events on vital activities our economic sustainability is intrinsically reliant on.

Tourism and remittance are government's main revenue earners. They unfortunately are very susceptible to exogenous factors. Not surprisingly, the economic downturn has impacted on both activities. Overall, total remittances for

Samoa declined in "real terms" in 2008 with the trend continuing this year due in part to overseas markets weakening and putting pressure on our people.

Any immediate negative impact of the crisis on tourism, which contributes about 35 percent of our foreign exchange receipts per annum, has largely been cushioned, at least for the time being, by the implementation of pipelined projects and related commitments previously agreed to. Still, total tourism earnings fell by an estimated 7.6 percent in real terms and given the precarious nature of the tourism industry may see this downward trend continuing this year.

Samoa last week had its first positively-tested swine flu case and such development could inadvertently affect the number of tourist arrivals, not to mention the need to ensure that the flu is contained and not reach epidemic proportions.

All told, the current high level of inflation driven by rising prices of food and fuel with the continued contraction of the economy in real Gross Domestic Product is a major concern to the government.

Mr. President,

Samoa is mid-way through the transitional period before graduating next year from the group of Least Developed Countries. The catastrophic impact of the global recession on our economy during this critical phase, largely unplanned, has nevertheless affected our efforts to meet the proposed graduation deadline set by the General Assembly. These impacts, both on our economy and people, are real and plain to see.

The economic recession has not exempted anyone, Samoa included. And while we do not want to use that as grounds to seek special dispensation, we feel justified in this juncture to do so. Under the circumstances, Samoa intends to request through the appropriate UN organs for an extension of the LDC smooth transitional period beyond December 2010 especially if its economy has not recovered fully to pre-crisis levels from the effects of the global economic crisis by then.

No doubt other Least Developed Countries similarly affected by the economic downturn will be willing and able to lend their support to such a plea. Samoa is optimistic also that its development partners and the rest of the UN community will be sympathetic and understanding. Now that will be practical recovery assistance and a tangible expression of support by member states to give those in this specific category a fighting chance to achieve the internationally agreed development goals, including the Millennium Development Goals.

Thank you.