

**Statement by H.E. Ambassador Rezlan Jenie
Vice Minister for Foreign Affairs of the Republic of Indonesia
in the General Debate at the UNCTAD XII Conference
Accra, 21 April 2008**

Mr. President,

At the outset, let me congratulate you for your assumption of the Chairmanship of this important Conference on Trade and Development. I am confident that under your expert guidance the success of this historic Conference is assured. I would also like to thank the Secretary-General of UNCTAD for providing rich substantive content to our debates. Last but not least, let me express my warmest thanks to the Government and people of the Republic of Ghana for hosting this Conference.

The timing of this UNCTAD Conference comes at a critical juncture as the world faces the uncertainty of a world economy in upheaval and strong signs of a global recession. Currently, two critical issues becoming a pressing concern for the international community are namely food security and energy security. In this regard, the President of Indonesia has appealed to the UN Secretary General on the urgent need for member countries to hold a high-level meeting on the food and energy crisis during the GA meeting later this year. We therefore invite all countries to support this idea. Indeed, if left unchecked, these issues and the insecurity they generate could have detrimental social and developmental effects.

In the same vein, Secretary-General Ban Ki-moon underscored this unfortunate development in another UNCTAD Meeting, pointing out that nearly one billion people were left behind by global growth. Indeed, development cannot be a privilege for the few; it is a right for all. He further emphasized that it is up to us, in the United Nations, to help advance this universal right.

In this context, the theme of this Conference: “Addressing the opportunities and challenges of globalization for development” is of fundamental relevance. It highlights the key role of UNCTAD in assisting

developing countries to cope with the current benefits of globalization while also addressing its challenges.

Mr. President,

Globalization undoubtedly has had a visible effect on the performance of many developing countries. However, the challenges have not disappeared for all that and have persisted in certain areas. High rates of economic growth have not been translating effectively into poverty reduction. Therefore, as rightly pointed out by the Secretary-General of UNCTAD in his report, a shift in focus is needed from getting the price right to getting development right in our endeavors to achieve the Millennium Development Goals/MDGs.

Despite the perceptible economic recovery in some regions, putting them on the right track to achieve the goal of halving the proportion of people living in extreme poverty by 2015, many countries, in particular in sub-Saharan Africa, are left by the wayside. In this regard, this Conference – significantly held here in Africa, the continent with the highest number of LDCs – is certain to see calls for greater international solidarity.

The current broad-based economic expansion of developing countries is indeed subject to risk. Global imbalances, higher energy prices and price volatility increase the risk of disruptive movements in the exchange rates of the major currencies, with severe implications for the outward-oriented economies of developing countries. The large and abrupt exchange-rate movements may distort trade flows and undermine trade integration. Yet surveillance and regulation in these critical areas lack the degree of discipline achieved in the multilateral trading system. Accordingly, the windows of opportunity provided by the rapid expansion of trade and investment among developing countries could be at stake.

Against this backdrop, we believe it is important to maintain coherence at all levels in order to maximize the benefits of globalization for sustainable development and poverty reduction. Coherence in global policy-making is crucial in supporting both national and regional competitiveness. To this end, Indonesia sees ASEAN, APEC and other regional arrangements as important contributors in building our national capacity to better integrate into the global economy. However, enduring problems continue to bug the multilateral trading and financial systems, which are now at a crossroads.

Therefore UNCTAD should contribute to addressing both this coherence and systemic issues through its three pillars.

As a country that was severely affected by the financial crisis in 1997, Indonesia remains concerned by the high volatility of prices. Learning from the last financial crisis, we must stress the importance of a new spirit of multilateralism in global economic and financial governance. Hence, a multilateral code of conduct is required in global finance and trade, especially in an open world economy. In this regard, the Doha Round must incorporate elements for a development package if the system is to remain credible. Its final outcome must enhance real market access and entry for developing countries' exports and bring about improvements in multilateral rules that address and remove existing asymmetries.

Mr. President,

We are fully aware of the need for developing countries to do their utmost to better integrate into the global economy. UNCTAD can support developing countries in creating an enabling environment for trade as well as investment. This contribution is all the more important in view of the linkages between investment, productivity growth, successful integration into the international trading and financial systems, and economic development, which in recent years have been conditioned by international competitiveness. In doing so, we also realize that in many respects, national autonomy has been reduced and international factors have become more pronounced in influencing development policies. Therefore, Indonesia believes that policy space is necessary and can make a significant contribution to the effective and beneficial adjustment of developing countries to a global world economy.

UNCTAD's work will only be relevant and stay ahead of the curve if it is able to deal with current global economic development as well as new emerging issues, such as energy security, food security, migration, and climate change.

The issue of energy security is a high priority on the agenda of all countries as it affects the productive capacity and trade competitiveness of each individual country. While extending the range of its activities to cover renewable energy and developing alternative sources of energy, both of which are essential in order to cope with the challenges of climate change, UNCTAD should be able to provide countries with policy choices. Equally

important, UNCTAD needs to deal with the issue of food security, which is presenting challenges to development and therefore requires targeted strategic policies.

Climate change is a crucial factor of globalization that poses one of the greatest risks not only to the environment, but also to social and economic development. Thus, climate change will impact on such key economic sectors as transportation, energy, tourism, agriculture, trade and industry.

Another issue relates to intellectual property rights/IPRs, which is important not only in order to enhance productive capacity but also to harness knowledge and technology. In order to be competitive, a country needs new technology. This is increasingly important if we are to cope with the challenges of climate change and the intensified use of IT. Migration is yet another significant issue in the context of trade- and investment-led globalization, as remittances have become one of the potential sources of financing for development.

We concur with the view that UNCTAD should not be alone in addressing all these emerging issues since they concern a number of other UN agencies as well. Nevertheless, as these issues present multifaceted challenges, we need UNCTAD to provide input for us on their impact on trade and development.

Mr. President,

My delegation is of the view that the outcome of this Conference should be built upon the Bangkok Plan of Action and the Sao Paulo Consensus, as the longstanding problems of trade and development remain even while new challenges arise. Therefore, the directions in which to strengthen the impact and effectiveness of UNCTAD need to be established under this framework. In this regard, the three-pillared approach of UNCTAD should be vigorously pursued. The research and analysis pillar should remain independent in order to provide better policy options and recommendations for both the consensus building pillar and technical cooperation.

Thank you.