

Statement by Ambassador Saadi Altumaizi  
Head of the delegation of Palestine To UNCTAD XII

Mr. President,

At the outset, the delegation of Palestine would like to commend your wisdom and efficiency in presiding over this Conference and to express its thanks and appreciation to the host country, Ghana, for its hospitality and elaborate preparations.

Global economic developments of the last decade, particularly those driven by technological advances, regional integration and the refashioning of economic systems and policies opened up new opportunities for many developing economies and economies in transition. Globalization the key ingredient of contemporary economic growth is increasingly shaped by created assets including technology, intellectual capital learning experience and organizational competence. These assets are becoming mobile across national boundaries and increasingly housed by multinational firms originating from the North thereby locking in to a large extent the benefits of this paradigm into that region.

At the same time, we notice the emergence of new players thereby changing the geography of the global economy. This implies the intensification of competition for the world's scarce resources including capital, technology and organizational skills increasing thereby the pressure on many developing countries to catch up by upgrading their ability to compete in leading edge activities and products.

Despite the emergence of successful new global players, however, this rapidly evolving global context characterized also by the globalization of economic and political crises and their spillover effects deeply constrain the choices of many developing countries as they confront the double-pronged dilemma of mitigating the effects of high risk and ambiguous volatile global factors and upgrading their productivity and the comparative advantage of their resources and capabilities.

It is clear then that the extent of the benefits of globalization have been overstated by its proponents who have also ignored the adaptability of states, their differential capacity, which builds on historically and culturally framed national institutions, and the importance of the state's role in the new global environment. Given that developing and least developed countries must cope with a global economy where the economic rules of globalization are hegemonic, they are unlikely to be able to overcome the increased disparities between them and developed countries unless a global initiative underpinned by a strong political will is taken and collaborative arrangements are made to ensure a better distribution of global trade benefits and productivity-enhancing economic transformation while respecting ownership of their national strategies.

As to Palestine, its location on the margins of the global economy has become increasingly pronounced and the prospects of its regional not to mention its global integration have dramatically diminished as its economy faces the massive

constraints of a war-torn economy under prolonged Israeli occupation. The incremental approach towards economic and political independence pursued in the interim political and economic agreements promising regional and global openness, investments and donor aid flows that would yield economic prosperity and rising living standards has failed owing to the detrimental effects of the policies and practices of Israel, the occupying power. In fact the Palestinian experience and trajectory represent a case in point showing that the context of occupation posits the corrosion of national economic endowments. Indeed, the Palestinian economy is strangled by a disabling colonial strategy and a set of crippling policies that not only confiscate land, water, natural resources and macro-management tools but also ensure geographical discontinuity, the depletion of human capital and the disintegration of the Palestinian national economy.

While debates centre around harnessing the benefits of globalization, meeting the Millennium Development Goals and encouraging South-South and North-South economic cooperation with the aim of achieving balanced global growth and overcoming disparities between rich and poor countries, the Palestinian economy grapples with the daily problems of securing emergency relief and humanitarian assistance to impoverished masses who have no choice but to suffer the consequences of a harsh occupation policy regime. While conferences and forums discuss ways to enhance national productive capacities and to face the challenges of globalization, the Palestinian economy's supply linkages are severed and its capacity to cope with its local constraints eroded. Unlike other developing countries that are advised to adapt their strategies and capabilities to benefit from global integration, the Palestinian economy is required to adapt its strategies to avoid the destructive effects of apocalyptic policies that are forced on it by the Israeli occupation. It is clear by now that instead of discussing the trend towards greater trade integration, it should be acknowledged that the evidence of disintegration and de-development of the Palestinian economy refutes the orthodoxy of development under occupation.

It is true that Palestinian economic planners do look beyond the current sober situation and devise long-term national strategy plans. However, neither economic plans nor international financial pledges supporting them can be considered sufficient solutions to the ills of an occupied and war-torn economy. These must be complemented by the enactment of the relevant United Nations resolutions and the outcomes of the Annapolis and Paris recent conferences through building the capacity of a full-fledged sovereign and independent Palestinian state, akin to all other free and independent countries, that can start the process of economic reconstruction and catching up with the fast-accelerating pace of globalization. In this regard, Palestine is grateful to the international community and its institutions and bodies including UNCTAD for their valuable contributions to achieve these goals.

Thank you.