

STATEMENT BY PHILIPPINES

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PHILIPPINE STATEMENT FOR UNCTAD XI GENERAL DEBATE

By Ambassador Enrique A. Manalo

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Sao Paulo, Brazil

Mr. President,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

It is indeed a distinct honor and privilege for me to head my Delegation on this historic occasion as we celebrate the fortieth year of the establishment of UNCTAD. On this memorable occasion, I wish on behalf of my Delegation and the Philippine Government to express our deepest appreciation to the Government and people of Brazil for this meeting's excellent arrangements. I also wish to acknowledge the very inspiring address by His Excellency President Lula Da Silva, which will no doubt guide us in our deliberations at this Conference.

Forty years is indeed a fairly long time in the life of an organization. Thus, in the halls and corridors of the United Nations, serious reflections are taking place on UNCTAD's role in a world markedly different from that in 1964.

In this regard, the Philippines believes UNCTAD's role as a forum of universal membership wherein the trade and development issues are considered in an integrated fashion remains as relevant, if not more relevant, than it was four decades ago. In the light of deepening globalization, interdependence but unfulfilled development needs, international trade, finance, and other economic and social issues are increasingly interlinked thereby requiring their being jointly addressed in a coherent manner and in the context of development cooperation. UNCTAD is the only UN body with a clear mandate to undertake such a task. Hence, the need to strengthen and revitalize UNCTAD's contribution to the development agenda.

Globalization and Role of UNCTAD

In reaffirming the critical role of UNCTAD in promoting development, the Philippines believes that UNCTAD must also continue its task of assisting developing countries to participate effectively and benefit from the process of globalization. Indeed, the pace and process of globalization in the past two decades has resulted in increased welfare gains for some countries, but has also led to welfare losses for others, especially the developing and the least-developed countries.

Mr. President:

The Philippines has a deep appreciation of the benefits globalization brings. However, we seek the optimization of benefits of globalization for the developing world. That, in turn, requires sound domestic policies supported by an enabling international environment.

The Philippines proposes that countries work collectively to improve the governance of globalization through increased coherence and consistency of policies aimed at addressing the imbalances and asymmetries of the international economy. This will ultimately redound to growth for all.

Hence, it is important to ensure that international financial institutions take fully into account the needs of and constraints facing developing countries. Global trade rules should respond to the needs of developing countries, especially for improved market access for their exports of goods and services, and provide for special and differential treatment.

UNCTAD can make a tremendous contribution in recommending policy actions towards these ends.

Policy Space

Mr. President, we also believe that policy space is necessary and can make a significant contribution to the effective and beneficial adjustment of developing countries to a globalized world economy. Economic growth and development will be facilitated if developing country governments retain flexibility to apply appropriate policy instruments in areas such as trade, investment, technology and in specific economic sectors. In the area of trade, in particular, we wish to underscore the importance of Special and Differential Treatment as a means of operationalizing policy space. At the same time, we are committed to a rules-based system. We recognize that policy space needs to be operationalized within the framework of international rules and agreements.

Mr. President:

Human and Social Dimensions of Development

The Philippines urges the international community not to overlook the subject and object of development, which is the human person, his or her welfare and dignity. The Philippine Government is acutely concerned with the human dimension of development,

especially in the context of poverty alleviation. UNCTAD clearly can make an important contribution on trade and poverty cognizant that poverty and international peace and security are very much intertwined.

Current State of the Multilateral Trading System and Philippine Stakes

Mr. President, permit me to address the issues concerning international trade and the pursuit of development goals by reaffirming that the Philippines remains committed to the objective set out in the Millenium Declaration of an "open, equitable, rule-based, predictable and non-discriminatory multilateral trading system" in pursuit of development and poverty eradication. However, I should add that international trade and trade negotiations must not be treated as a panacea for the global economy. Trade is not an end in itself but a means to development and sustained growth.

Nevertheless, a fair and substantial share of the benefits from global economic prosperity and the multilateral trading system has failed to accrue sufficiently to developing countries as a whole, in

spite of their significant liberalization and structural adjustment programmes.

The Philippines thus considers the Doha Ministerial Conference as a significant milestone inasmuch as an explicit pledge is made to place development at the heart of the Doha Work Programme. Furthermore, the Doha Development Agenda vindicates the mandate of UNCTAD on the integrated treatment of trade and development.

The Philippines believes that meaningful reform in agriculture constitutes the key to successfully concluding the multilateral trade negotiations launched at Doha. Special and differential treatment for developing countries must be an integral part of the agriculture negotiations.

We also call for increased participation of developing countries in trade in services, as all countries stand to gain from such participation.

Mr. President:

Coherence between National Development Strategies and Global Economic Processes

I wish to turn to the theme of the Conference which is enhancing coherence between national development strategies and global economic processes, with the objective of promoting growth and development particularly of developing countries.

The call for enhancing coherence underscores the importance for global economic processes to be supportive of and conducive to national development strategies. It clearly conveys the importance of a development-friendly global environment.

The Philippines affirms the importance of national policies in promoting growth and development. Each country has the primary responsibility for its own economic and social development. However, national development efforts need to be supported by an enabling international economic environment.

We also believe that global economic policy making calls for greater multi-dimensional coherence. While coherence between national economic policies and international economic processes is

essential, coherence must also be achieved in the development prescriptions of international institutions.

In this regard, UNCTAD can play an important role in identifying the element of a coherent global strategy aimed at integrating the development dimension into global processes.

Conclusion:

Mr. President, I wish to conclude by congratulating you on the efficient manner you have been steering the work of this conference. Under your guidance the success of this historic conference is assured. I am confident, Mr. President that your country, Brazil, a champion in advancing developing countries' concerns, will witness a landmark renewal of the spirit of cooperation for the prosperity and growth of all countries, and a commitment to provide UNCTAD with renewed strength and vigor.

Thank you.