

STATEMENT BY SOUTH AFRICA

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Country Statement

By
Head of the South African Delegation

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At the outset let me offer, on behalf of the South African delegation, our congratulations to you Minister Amorim on your election to the chair of this conference. The work that goes into organising a conference of this magnitude is not to be underestimated and South Africa thanks Brazil for hosting the conference, for its warm hospitality and putting together a well-run event in partnership with the UNCTAD secretariat. We are confident that under your leadership and guidance UNCTAD XI will emerge with a coherent and focused plan of work for the period ahead.

We would like to express our gratitude to the Secretary-General of UNCTAD, Ambassador Rubens Ricupero, for the valuable leadership role he has and continues to play in steering this important organisation. South Africa has had the good fortune to work closely with the Secretary General since we hosted the UNCTAD Nine Conference in Midrand in 1996.

As part of our celebratory messages we would also like to recognise the achievements of UNCTAD, over these four decades. *Life begins at forty* and it is our belief that for UNCTAD there are greater things yet to come even though it requires a clear focus and greater sense of urgency.

South Africa is in its tenth year of democracy. Democracy came to South Africa at about the same time that the pace of globalization was evidently increasing. We put in place policies that focused on reconstruction and development whilst also striving to create the conditions for increased investment. A Ten Year Review has been recently completed of the impact of the policies over this past period on poverty and development.

Some of the main conclusions of this in depth research and analysis point to the fact that where government had to act on its own - it often did so quite effectively. Consequently, the significant increases in social spending and investments in public infrastructure are self evident. The report however also shows that, where there was an expectation that there would be a developmental outcome as a result of a partnership with the private sector, civil society and or international investors the number of success stories were significantly less.

As the process of globalisation deepens, and the threat of uneven development and marginalisation grows, the need to develop policies that address the integration of developing countries into the world economy in a manner that will advance their economic and development objectives becomes critical. The challenge for the 21st century is to ensure that there is policy coherence at national, regional and multilateral levels and between developing and developed countries. Global policies and disciplines need to support national development strategies. A key issue is to strike the appropriate balance between open markets and regulation.

Developing countries need to ensure that trade and economic policies are located within their broader development strategies. This is fundamental and, if successful, will contribute directly to meeting the Millennium Development Goals. In South Africa we are strengthening our efforts to build this policy coherence through establishment

of institutions for interdepartmental co-ordination and for interaction with social partners in the private sector, trade unions and civil society. Such fora allow for dialogue and engagement in policymaking and agreement in the coordination of partnerships for implementation.

Developed countries need to ensure greater coherence between their national and international policies. There are numerous examples where national policies of developed countries conflict with their stated international development objectives. The clearest example is the inconsistencies between advocating the benefits of free trade while pursuing protectionist policies domestically. Greater alignment is also needed in the areas of institution development and capacity building.

Deepening interdependence and global interaction simultaneously requires policy coherence at the multilateral level for effective global economic governance to manage the processes of globalisation. Greater coherence in global agreements is essential to ensure that trade and financial integration is carefully balanced with the need for social and economic development, for example by meeting the targets of the Millennium Development Goals.

I would like to reaffirm South Africa's support of UNCTAD and its role as the centre for the integrated treatment of finance, trade, investment and technology from a developmental perspective. UNCTAD remains an important organisation for consensus building, policy research and analysis, and the provision of technical capacity in these areas. UNCTAD support for developing countries, which now face more complex challenges emanating from processes of globalisation, continues to be critical. UNCTAD must continue its contribution as a knowledge based institution to enhance the effectiveness of developing countries' development strategies in a globalised world economy and should be guaranteed the necessary resources to fulfil its mandate.

South Africa believes that if the commitments taken at Multilateral Meetings are honoured many of the challenges faced by developing and least developed countries could be overcome. The tide has to turn and that time is now. South Africa recognises the possibility for a breakthrough in the WTO negotiations by July 2004, and calls on all to seize this opportunity.

Chairperson, we recognise the existence of a sound working relationship between the UNCTAD Secretariat and the NEPAD Secretariat. Such a relationship is desirable particularly because of the contribution it makes to strengthening the relationship UNCTAD already has with African Member States and the African Union. The African Economic Development Agenda is clear and focussed what it needs are effective partnership to yield meaningful results.

Chairperson, UNCTAD's role in consensus building and promoting policy coherence is of great importance in our efforts to create better conditions for global trade and in tackling poverty. UNCTAD XI should strengthen the capacity of UNCTAD to undertake analysis, consensus building and technical assistance programmes to ensure that trade rules at a multilateral level are equitable, balanced and pro-development.

We welcome the UN reform process that should strive for greater coherence in multilateral governance and, through this process we would hope that UNCTAD's role in providing support to developing countries is enhanced.

I thank you.