

STATEMENT BY MALAWI

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OF THE REPUBLIC OF MALAWI AT UNCTAD XI

Mr. President
Honourable Ministers
Ladies and gentlemen

It is an honour for me to be here to present a statement at this august gathering on behalf of my country. Let me at the outset thank UNCTAD for organising this important forum. Let me also take this opportunity to congratulate you Mr. President and your bureau for your election to preside over the Conference. I would also like to thank the Government and people of the Federal Republic of Brazil for the warm hospitality accorded to me and my delegation ever since our arrival in this beautiful city of São Paulo. My country also pays a special tribute to the Secretary General, Mr Rubbens Recupero for the hard work that he and the Secretariat have done to make this Conference so successful.

Mr. President
Honourable Ministers
Ladies and gentlemen

The theme of the Conference is "enhancing coherence between national development strategies and global economic processes". This theme could not have been more fitting as it comes at a time when most least developed countries are implementing macroeconomic reforms and globalization is threatening their production base with dire economic consequences on the poor. Given this state of affairs, it is critical that the global community must first address the issues of poverty and underdevelopment.

Malawi is a beneficiary of the Highly Indebted Poor Country (HIPC) initiative and developed a Poverty Reduction Strategy Paper (PRSP) in order to provide a coherent framework for eradicating poverty in the country. In addition to the PRSP, a Growth Strategy which identifies the areas of agro-processing, cotton/textile, mining and tourism as sectors that have potential to transform the economy and reduce poverty was also developed. The successful implementation of the Growth Strategy will require a coordinated approach with all the sectors in the economy as well

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In order for least developed countries to achieve any gains from the international trading system, it is essential that they be given market access to developed country markets. However, it is common knowledge that least developed countries still face high tariffs and non-tariff barriers which make it difficult for them to take advantage of various market access initiatives. Trade for development would, therefore, only be meaningful if least developed countries were able to benefit from expanded markets. In most cases least developed countries such as Malawi lack the productive capacity to take advantage of opportunities offered by market access initiatives. These supply capacity constraints include; inadequate infrastructure, inefficient transportation and communication, lack of value addition, lack of finances, and lack of trained human resources. I, therefore, wish to call upon UNCTAD to assist in developing the productive capacity of LDCs such as Malawi.

My country acknowledges the fact that it is important that each person

participates in the affairs of the country and that mainstreaming trade in development is critical. It is against this background that Malawi has continued the process of democratic and constitutional development, specifically by holding free and fair Presidential and Parliamentary elections the past three weeks in which all citizens, both men and women had equal participative rights, both voters and candidates.

Trade related assistance is considered a major tool in Malawi to enhance supply and productive capacities in order for the country to benefit from international trade. In this regard there is still need to enhance the role of UNCTAD for LDCs in this field.

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Let me mention here that Malawi is benefiting from the Joint Integrated Technical Assistance Programme (JITAP) and is also benefiting from the Integrated Framework (IF). Both these initiatives will assist Malawi improve its capacity to participate in the multilateral trading system.

as technical and financial support from the development partners. However, the costs of debt servicing both domestic and external are unsustainable and, therefore, are an impediment to implementation of these policies. It is important then to have the global community help to facilitate permanent exit from unsustainable debt.

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It is our hope that this UNCTAD Conference will assist in bringing forward solutions to our development needs. It is in this context that Malawi supports the objectives of UNCTAD XI and welcomes the focus on the key issues of trade and development and the related issues of finance, investment, technology and sustainable development. It is also our hope that this Conference will tackle issues that are key to the eradication of poverty in least developed countries. One such issue being ensuring development gains from the international trading system and trade negotiations as well as building productive capacity and international competitiveness - popularly known as supply side constraints.

However, despite these initiatives more needs to be done by both UNCTAD and the donor community in general to assist Malawi in its quest to implement the Growth Strategy. Malawi is also benefiting from the assistance of UNCTAD in the area of Competition Policy and Law as well as assistance in the area of Investment and technology. There is need that this assistance is tailored to target specific problems of Malawi.

Finally, let me reiterate Malawi's desire to see UNCTAD play a greater role in addressing development issues affecting least developed countries like Malawi. It is also our expectation to see that the attention on Doha Round is not lost, especially the Special and Preferential treatment. Malawi's trade has been under the preferential arrangement. Removal of these implies loss of earnings of around 17 to 20 percent. It affects industry that employs a lot of people. It is, therefore, important that proper analysis and appropriate compensation for loss of preferences that will negate the poverty eradication process and consequently the process to the attainment of the MDGs for Malawi, be done.

Let me also take this opportunity to express my sincere thanks to UNCTAD for the assistance that it continues to render to Malawi and look forward to

greater co operation and partnership in these critical trade and development issues.

I thank you for your attention.