



ITALY

STATEMENT BY
THE PRIME MINISTER

THE HONORABLE
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TO THE 64TH GENERAL ASSEMBLY
OF THE UNITED NATIONS

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Mr. President, Mr. Secretary-General, Ladies and Gentlemen,

I take the floor today to report on the outcome of the L'Aquila G8. It was my honor to chair this Summit, which brought together 28 Countries representing more than 80% of the world economy.

Our first order of business was to continue the work of banking and financial market regulations on which the Pittsburgh Summit will have to make progress. To assure solid and lasting growth, economic activity – we feel – has to be brought back to the principles of equity and transparency. The new development model should also be based on open markets and a rejection of protectionism, to allow the poorest Countries to fully benefit from the growth opportunities afforded by international trade.

After L'Aquila we decided to revive the Doha negotiations, with the goal of wrapping them up by 2010. Our Trade Ministers have already met in India to provide practical follow-up to this decision. Pittsburgh will be an important moment for reiterating the political commitment undertaken in L'Aquila.

Progress was also made on climate. The main economies reached an agreement to limit global warming to 2 degrees Celsius above pre-industrial levels. This common front to combat climate change was reconfirmed by the broad participation in the meeting held here yesterday at the Secretary-General's initiative. I thank him for the leadership he has demonstrated also on this occasion, a quality so essential to the success of the Copenhagen Summit. L'Aquila affirmed a clear and fundamental concept that I wish to reiterate today: winning the climate change challenge will require a commitment from all the protagonists of the world economy, without exception.

On Food Security, we decided to establish a 20-billion dollar fund for agricultural development and the fight against world hunger. There is a line of continuity between the G8 Summit, the Pittsburgh G20, and the Food Security Summit that FAO will host in Rome in November: namely, the effort to restore agriculture's place at the heart of the international agenda. On too many past occasions the financial assistance allocated to developing Countries has failed to reach the people for whom it was destined. This is why we have decided that this financing should be invested in the realization of concrete projects targeting primarily agricultural infrastructure.

The beneficiary Countries must also do their part. To be effective, the assistance should be directed to Countries that promote democracy, are committed to good governance, respect human rights, and protect women and children.

Finally we discussed the need to firmly counter stock market speculation and the manipulation of the energy, commodities, and food resource markets. Speculation in food products (wheat, rice, and soy) has led to serious crises, especially on the African continent. Dramatic fluctuations in oil prices have contributed, in turn, to financial and economic instability. The price of crude oil has gone from 70 to 150 dollars a barrel, only to drop to 32 dollars and bounce back to 70 dollars, despite an almost 2% decrease in

world consumption in the past year. We know all too well that these fluctuations are caused by speculation according to which a barrel of oil is sold four to six times before it reaches the end consumer. What drives up the prices of a barrel is precisely the interests of speculators.

It is thus an absolute priority that the futures market be regulated more strictly. In our view we should also consider a global system of strategic commodities reserves so as to nip in the bud any speculative tendencies. The fight against speculation must also include, in the end, the abolition of tax havens. Much has been done to wipe out existing havens, but we must also strengthen the OSCE's monitoring role to fight attempts at creating new ones.

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These are in a nutshell the main outcomes of the L'Aquila Summit. The crisis from which we are emerging makes it incumbent upon all of us address the issue of effective governance. L'Aquila confirmed that the G8 still has a major role to play in geopolitical, non-proliferation, and development issues.

With the G20, which is now developing alongside it, we need to coordinate our actions to tackle the global governance of the economy and open it up to all the main Countries that wish to contribute. This action must of course respect the central role of the United Nations, starting with its most representative organ: the General Assembly.

We must also reform the Security Council, to make it more effective and representative. A note of caution, however: to add new national permanent members would simply increase the sense of exclusion of all the Countries that contribute actively to international peace and security and of the new Countries that in the future could assume growing responsibilities.

To conclude. In the last century the international community faced even more tragic crises than it does today. History shows that no crisis is insurmountable. But we have to be positive, resolute, and above all united. We are all going to have to roll up our sleeves. This is the key message sent by L'Aquila. Only through common commitment will we be able to restore the consumer confidence that is so indispensable to a recovery in spending and investments. Only through common action will we be able to overcome a crisis whose roots lie also in the psychological soil of fear.

If we are willing and able to do this together, our efforts will be successful and we will manage to limit the depth and duration of the crisis. I have no doubt but that we will succeed.

Thank you for your attention, and my best wishes for your works.