

18 May 2012

**Statement of H.E. Mr. Nassir Abdulaziz Al-Nasser,
President of the 66th Session of the General Assembly,
at the Opening of the High-level Thematic Debate on the State of the
World Economy and Finance and its Impact on Development in 2012**

Excellencies,

Your Excellency Mr. Bamir Topi, President of the Republic of Albania,

Your Excellency Mr. Donald Ramotar, President of the Cooperative Republic of Guyana,

Your Excellency Mr. Ricardo Martinelli, President of the Republic of Panama,

Your Excellency Mr. Nebojsa Radmanovic, Member of the Presidency of Bosnia and Herzegovina,

Your Excellency Mr. Ban Ki-moon, United Nations Secretary-General,

Distinguished Ministers and Delegates,

Ladies and Gentlemen,

Welcome to the High-level Thematic Debate on the State of the World Economy.

I am honored to co-chair this high-level meeting with the United Nations Secretary-General, His Excellency Mr. Ban Ki-moon.

Our joint effort in convening this conference is an example of cooperation for the sake of a strong UN.

I commend Mr. Ban for his leadership and guidance on the global economy and sustainable development.

I would start by extending my gratitude to the high-level representatives and eminent panelists who are joining us today.

I would also like to express my sincere appreciation to the Member States, and to the co-facilitators for this event, His Excellency Mr. Ertrugul Apakan, Permanent Representative of Turkey to the United Nations, and His Excellency Mr. Daniele Bodini, Permanent Representative of San Marino to the United Nations.

Both Ambassadors and their respective Missions offered invaluable assistance through their support in helping to prepare for today's event.

Ladies and gentlemen,

The global economy is at a critical juncture.

Nearly everyday we are acutely aware that there are pressing economic and financial issues that need to be tackled, if we are to embark on a robust, sustained and inclusive global recovery.

A recovery that will accelerate development, improve employment, and lift another billion people out of poverty.

It is well known that in the aftermath of the crisis, there has been a significant adverse impact on both developed and developing countries.

Developing countries, in particular, have been affected by circumstances that were not, in the first instance, of their own making.

Moreover, within all countries, it has been the vulnerable sections of society – the poor – who have been hardest hit by the downturn in incomes and in employment.

Today, in the great spirit of democracy, populations are making their concerns about the global economy heard.

They are demanding more economic safety, more jobs, more opportunities, more justice and more respect for the environment.

In responding to such demands, and in working to improve the economic and employment conditions in their respective countries, Member States have varied in their approaches.

In a diverse world, this is only natural.

However, our overarching priority must be a shared one.

Our overarching priority must be to implement an effective and globally coordinated policy that serves to place the world economy on the path of sustained growth and development.

Today's conference provides a timely opportunity to address these issues in an inclusive, candid and responsible manner.

This high-level thematic debate reaffirms the central role of the United Nations, through its General Assembly, in international deliberations on the world economy and sustainable development.

In doing so, we must strive to convey a strong and unified message to all stakeholders.

We must first identify and then propose specific measures to address the ongoing economic and financial challenges, and their impact on development.

These issues are incorporated into the four round tables of this thematic debate.

Round table 1 will focus on the theme of “Combating unemployment, creating jobs, especially for women and youth, addressing poverty and social protection”.

The overall level of unemployment, and youth unemployment in particular, remain unacceptably high worldwide.

As I heard last month from many Heads of State and Government and Ministers during the 13th Session of the United Nations Conference on Trade and Development held in Doha, addressing unemployment is today an extremely urgent task for developing, no less than developed, countries.

Measures to generate productive employment should urgently be put in place and, moreover, should be accompanied by policies to promote social protection for workers, including social safety nets.

Efforts in this area should be seen as an integral component of a broader long term strategy geared towards poverty reduction, which would also include policies in areas such as education, health and access to finance.

It should be emphasized that, in order to achieve these objectives, developing countries would require considerable support from the international community.

The theme of round table 2 is “Debt sustainability, managing inflation and deflation”.

Debt sustainability remains a concern in a number of developing countries that could be adversely affected by spillover effects from the regional debt crisis and other risk factors, such as continued high volatility in food, energy and other commodity prices.

It is important that the effectiveness of debt sustainability frameworks be re-examined.

More work needs to be done in a number of related areas, including the design of instruments and institutional mechanisms to better deal with debt distress.

Debt sustainability is influenced by macroeconomic fundamentals at the national level, and by external shocks in the international financial and monetary system.

An important challenge facing policy-makers is the need to understand macroeconomic stability in a broad sense that includes not only price stability and sustainable fiscal policies, smoother economic cycles, sustainable levels of external debt, and healthy domestic financial systems, but also an efficient rules-based international system that enhances stability, fosters efficient and equitable international allocation of investment resources, and provides effective mechanisms for assuring effective policy coordination.

Round table 3 is entitled “Creating an environment for increasing production, trade and investment, including through transparency and predictability of commodity prices.”

The effective promotion of production, investment and trade requires a wide range of efforts at all levels.

While developing countries should undertake efforts to create a domestic environment favorable to increasing productivity, competitiveness and innovation, they would in many instances require technical and financial assistance from the international community.

It is also important to recognize that international conditions can have a profound impact on investment, and on production and trade.

Many commodity-dependent developing countries continue to be highly vulnerable to the excessive volatility of commodity prices.

Moreover, volatile food and energy prices undermine efforts to eliminate extreme poverty and hunger by reducing household incomes and increasing pressure on national budgets in many developing countries.

Just a few weeks ago, in response to GA Resolution 66/188 and in partnership with His Excellency Leonel Fernandez, President of the Dominican Republic, I convened a high-level thematic debate on addressing excessive price volatility in food and related commodity and financial markets.

Together with political leaders, regulators, central bankers, private market participants, and a variety of experts from universities and the UN system, we examined the evidence linking the explosive growth of financial investment in commodities futures markets, to commodity price volatility and, by extension, their impact on development.

We hope to continue this conversation today, and in other venues in the near future.

It is also of critical importance to have an enabling environment for international trade and, in this regard, a successful conclusion of the Doha round with a balanced, ambitious, comprehensive and development-oriented outcome is essential.

Finally, round table 4 will deal with “Increasing stability, predictability and transparency in the global financial system”.

The world financial and economic crisis and its aftermath have exposed significant limitations in the international monetary and financial system.

A number of important areas need to be addressed in the process of strengthening international financial stability and improving the efficiency of the international financial system in channeling savings to productive investment.

Important, unfinished tasks include enhancing multilateral oversight; improving oversight of the world's important financial institutions; strengthening the transparency of risk-rating mechanisms; and improving regional financial cooperation.

It is also important to broaden and strengthen the participation of developing countries in international economic decision-making and norm-setting.

Over the past twenty years, there has been significant progress in the development of a rules-based international trading system, but very little movement towards a rules-based international monetary and financial system.

In light of this imbalance in the institutional structure of global governance, the United Nations may have an important role to play.

The United Nations remains the only truly universal and inclusive multilateral forum, and is well placed to enable Member States to participate in various reform processes aimed at improving and strengthening the effective functioning of the international financial system and architecture.

Ladies and gentlemen,

Our deliberations in this high-level thematic debate will also provide an important input into various related UN processes, including next month's UN Conference on Sustainable Development in Rio, Brazil; the Financing for Development Follow-up process; the discussions on global economic governance; and the future of the Millennium Development Goals.

Ladies and gentlemen,

The UN General Assembly cannot but answer the call of citizens worldwide - the call for security and for dignity.

Today, we are taking a step towards answering their call.

I wish you productive deliberations.

Thank you.