

STATEMENT BY MALAYSIA

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DELEGATION TO THE ELEVENTH SESSION OF THE UNITED
NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
(UNCTAD XI),
AT THE GENERAL DEBATE OF UNCTAD XI, SAO PAULO,
16 JUNE 2004**

Mr. Chairman,

Excellencies,

Distinguished Delegates,

1. It is indeed an honour and privilege for me to be here in Sao Paulo for the Eleventh Session of the United Nations Conference on Trade and Development (UNCTAD XI). As we mark the fortieth anniversary of UNCTAD, let me congratulate you, Mr. Chairman, on your election to preside over this event. Allow me also to congratulate other members of your Bureau on their elections. My delegation pledge our full support and cooperation to you, Mr.

Chairman, and to your Bureau towards making our meeting a success.

2. Allow me also, Mr. Chairman, to extend our sincere gratitude to Thailand, for the leadership they have provided over the course of chairing UNCTAD X. UNCTAD has achieved significant strides during the course of their chairmanship.

Mr. Chairman,

3. Since we last met at UNCTAD X in Bangkok in the year 2000, developments taking place in the international scene, both in the areas of politics and economics, have shaped and even reshaped our perspective on the global outlook and the strategies we undertook to meet the challenges ahead. Despite the various conferences held over the course of the past four years, we continue to grapple with

numerous challenges of the global economic environment and, in particular, its impact on developing countries.

4. While new challenges have arisen, we have yet to seriously address outstanding issues confronting developing countries such as poor commodity prices, exchange rates fluctuations, existence of tariff peaks and tariff escalations for products of export interest to developing countries, debt problems and the rapid rate of technology obsolescence.

5. Current changes to the global trading architecture also have an important impact. Countries impatient with the slow progress of the multilateral trade negotiation are increasingly turning towards bilateral and regional arrangements. This development will certainly alter the conditions of competition for many countries.

6. Malaysia believes that the globalisation is a process that can be, and must be, managed to ensure its benefits are

equitably shared by all. Various national and regional measures could be taken in this regard but Malaysia continues to believe that it must be supported by a rules-based multilateral system that takes into account the special needs of developing countries.

Mr. Chairman,

7. As developing countries continue to address the challenges of globalization and integration, the primary responsibility for national development must lie with them. National responses to development must address the challenges of the day with appropriate policies that provide conducive political and economic climate to promote investment, trade, financial growth and economic expansion. National development strategies must be based on a right policy mix to ensure that the expectations of her citizens are satisfied. While a country continues to strive to meet the demand for growth and competition, it must also be able to

ensure equitable distribution of the fruits of growth. In formulating policies, it cannot be certain that text book theories will always hold true in the face of fast changing global environment. As such, countries have to increasingly device policies based upon a mix of theories and pragmatism.

8. In this context, a country's economic management must have substantial inputs from the private sector which is the prime mover of economic growth. A strong public-private sector partnership is necessary in order to enable formulation of policies and measures which reflects the realities of the market place. From Malaysia's experience, this process of consultation has contributed to sustaining macroeconomic fundamentals to ensure economic growth and prepare the nation for increased global competition.

9. The past strategies of economic diversification have strengthened the underlying structure of the Malaysian economy and placed Malaysia in a stronger position to meet

new challenges. For the future, new sources of growth have to be found with a view to tapping into opportunities provided by developments in new technologies. Towards this end, it may be necessary to provide better incentive structures and financial support for investments in higher value-added, high-tech industries and services, as well as the promotion of entrepreneurial development.

10. Such policy options depend on the demands in the domestic and international market place. Nonetheless, the ability to choose appropriate policy options also depends on availability of policy space.

11. Increasingly, the processes of globalisation and multilateral negotiations seek to circumscribe national policy planning in the name of integration, governance and efficiency. Demands on developing countries take the form of liberalization and deregulation. On the other hand, developing countries continue to have specific socio-economic objectives that require particular economic

prescriptions. Efforts that impinge upon such policy options may be counter-productive to the development of the country. We cannot adopt a 'one size fits all' approach.

12. The choice of policy options must be based on the fundamental question of ensuring that, on balance, liberalisation will be translated into improvement in the well-being of our people. Effective integration into the globalization process requires national policy responses that reflect a blend of market forces, state intervention and multilateral disciplines that enable national goals and objectives to be met.

Mr. Chairman,

13. UNCTAD XI here in São Paulo is a timely forum for us to forge ahead with initiatives that assist developing countries to harness trade and investment flows towards achieving sustained economic growth and development. UNCTAD's vast experience that has been garnered over the

last forty years provides it with a comparative advantage to identify policy alternatives and remedial options to address the developmental concerns of developing countries. UNCTAD's work continues to remain relevant and more so in this competitive globalised world.

14. We urge all partners to ensure UNCTAD continues to assume its role as the focal point within the United Nations for the integrated treatment of trade and development. UNCTAD's contributions have been valuable and should be further enhanced to assist developing countries integrate effectively into the global economy.

15. On that note, let me record our congratulations and appreciation to the Secretary-General of UNCTAD and the UNCTAD Secretariat staff for their commitment, hard work and dedication in making UNCTAD a success.

I thank you, Mr. Chairman.