



**STATEMENT BY AMBASSADOR BYRON BLAKE, DEPUTY PERMANENT REPRESENTATIVE, DELEGATION OF ANTIGUA AND BARBUDA, ON BEHALF OF THE GROUP OF 77 AND CHINA ON AGENDA ITEM 47: MACROECONOMIC POLICY QUESTIONS, IN THE SECOND COMMITTEE OF THE GENERAL ASSEMBLY (New York, 13 October 2008)**

Madam Chair,

1. Thank you for giving me the floor to speak on behalf of the Group of 77 and China. The Group thanks the Secretariat for the reports of the Secretary-General under Agenda Item 47: Macroeconomic policy questions. It also thanks DESA and UNCTAD for their statements.

Madam Chair,

2. The global economy is facing a significant economic downturn. The impacts of the looming global recession, the origins of which lay in the housing and financial sectors of the largest and most developed economy, are beginning to be felt around the world. It has come on the heels of a long period of severely uneven economic growth among countries and economic and social inequality within countries. One result has been the increasing marginalization of countries, in particular LDCs, LLDCs, SIDS, African countries and countries emerging from conflict.

3. The global economic and financial forecast does not look good - the financial crisis could intensify and economic growth could slow dramatically. The present situation has tested the capacity of international policy and regulatory institutions and frameworks. It highlights very significant policy, institutional and regulatory failures. It serves as the most recent illustration of the lack of capacity and legitimacy of international institutions to intervene, promote, advocate and facilitate coordinated responses. This has long been a major shortcoming.

4. In this regard it is noteworthy that the first coordinated action among the central banks of the major economies did not occur until 8th October - well after individual countries had begun to take specific, isolated actions all of which proved inadequate to stem the rapidly moving tide of financial and economic crises. It is arguable that some may even have worsened the overall situation.

Implications for the work of the United Nations

5. For many years developing countries, through different organs of the United Nations, have been highlighting the fact that the international development agenda has been undermined by uncoordinated and incoherent policies and policy actions. This has posed a particular and persistent challenge to the achievement of the internationally-agreed development goals, including the MDGs, and to efforts to eradicate poverty and raise standards of living.

6. These longstanding challenges, compounded by the current situation of multiple global crises, increase significantly the relevance of the work of the Second Committee in macroeconomic policy formulation, promotion of development cooperation, and implementation of commitments in the areas of:

- a. International trade and development;
- b. International financial system and development;
- c. External debt and development;

d. Commodities;

The reports indicate significant uncertainty and volatility in all these areas.

Madam Chair,

7. We in this Committee have been adopting resolutions on these issues, but increasingly with less urgency and less action oriented. The Group of 77 and China will continue to articulate the substantive elements of the policy directives that the General Assembly should issue, through this Committee. The current situation requires even greater cooperation so that Member States can take strong action to fundamentally address the major macroeconomic challenges. We must be strategic and purposeful.

8. Our deliberations, including on the issue of Commodities trade, takes place in the context of a current international food crisis. Our work must reflect this - food security should be a priority. This committee should ensure that the food crisis is addressed in a coherent and coordinated way, but the discourse must not be imbalance, the perspectives of developing countries are critical to resolving the international food crisis.

9. A major problem for developing countries over the last two decades has been the fight for markets, both domestic and international. Strong signals are needed to restore confidence that developing countries' products will not be driven from the commodities markets, both at home and abroad when production recovers in developed countries. This is a major factor for increasing the development and poverty reduction impact of commodities trade.

Implications for review conference on Financing for Development

Madam Chair,

10. The Group of 77 and China recognizes the importance of the review conference on Financing for Development to be held in Doha next month. The conference has all the relevant macro-economic issues on its agenda. It provides the ideal opportunity to go beyond a mere superficial review and address as these issues fundamentally - but only if Member States choose to do so. Political will and leadership are critical. The stakes are as high as they have ever been for international development and cooperation, and with great significance for the work of this committee.

11. The mandate for the conference requires us to identify and addresses constraints and challenges to the achievement of the objectives of the Monterrey Consensus. The current economic and financial crisis is a major challenge. If we do not recognize this and act on it in the context of our deliberations in this Committee and in the General Assembly on the outcome of Doha, then we will fail, and failure is not an option.

12. As we enter into a heightened stage of preparation for the review conference, this Committee must remain seized of the major macroeconomic policy questions, as the Charter mandates, and provide the requisite intergovernmental policy guidance to the global economy. Our work must recognize and reinforce the urgency of the issues on the FfD agenda in order to realize the macroeconomic policy goals we espouse.

Thank you, Madam Chair.