

# Opening Remarks by H.E. Mr. Ali Alatas, Minister for Foreign Affairs of the Republic of Indonesia and Chairman of the Group of 77, at the 22<sup>nd</sup> Annual Ministerial Meeting of the Group of 77

New York, 25 September 1998

Excellencies,  
Ladies and Gentlemen,

1. It is my great privilege as Chairman of the Group of 77 to welcome each of you to this 22<sup>nd</sup> Annual Ministerial Meeting of the Group of 77 and China. I appreciate your being here today as we have important tasks to carry out: to review the progress of our agenda so far this year, to assess the current situation and to chart our course over the next several months and into the new millennium. Since Indonesia assumed the chairmanship of the Group last January, the global economy has further declined and become more unpredictable, due largely to the contagion effect of the Asian financial crisis.

2. Although the phenomenon of globalization continues to dominate the world economy, its promise of prosperity for all is becoming increasingly doubtful. During the past 15 months, it has exposed developing countries to great risks and led to setbacks ranging from slow-down of economic activities to outright economic collapse. The social impact of these debacles have been massive: scores of millions have been thrown into unemployment, many millions more slipped below the poverty line, hunger and malnutrition are on the rise and the gap between the "haves" and the "have-nots" continues to widen. Even more disturbing, there seems to be a dearth of ideas on how to effectively contain the spreading crisis.

3. To my mind, it is only logical that the challenges of the financial and economic crisis should be addressed in the context of globalization. International cooperation should take into account such aspects of the crisis as the lack of surveillance and regulation of short-term capital flows and the volatility of currency markets through innovative measures at the national, regional and global levels, without, however, restraining the liberalization of economies. The efforts of the severely affected countries to tackle the challenges of this crisis must be complemented with measures at the international level. I am therefore encouraged that the proposals put forward by our Group for dialogue on international finance for development have been paralleled by initiatives of the North, including President Clinton's proposal to convene a meeting of Finance Ministers and Central Bankers from both developed and developing countries.

4. Upon assuming the chairmanship of our Group last January, we stressed that we should continue working for the achievement of an international climate conducive to development and for a more equitable and robust global economy. That has been the direction of our endeavours during the past nine months. We remain concerned that the North-South Dialogue has not picked up pace despite efforts of the UN to promote it, including the launching of the *Agenda for Development*. Since many of the core issues of development can only be addressed through multilateral action, the renewal of the Dialogue, based on mutual interests and benefits, equitably shared responsibilities and partnership, is imperative. Our efforts this year to foster that Dialogue has culminated in the convening of the two-day High-level Meeting on the Renewal of the Dialogue on Strengthening International Economic Cooperation for Development through Partnership in the General Assembly.

5. Our Group has always believed that such a constructive dialogue can only prosper within the context of a reformed United Nations that is empowered to fulfill its mandate to foster social and economic development. For this purpose we have, together with the NAM, sought to strengthen the role of the United Nations in international cooperation for development. Through the JCC, our Group and the NAM have reviewed and supported the proposals of the Secretary-General in Track II of his reform package. We have also actively

participated in the review process of the ECOSOC's subsidiary machinery and sought to enhance the Council's coordination role where we successfully advocated that the CSTD remain as a Functional Commission of the Council together with three other important bodies: the Committee on Natural Resources, the CDP and the Committee on New and Renewable Sources of Energy. Our Group worked for the building of a strategic partnership between the United Nations bodies and the Bretton Woods institutions at the historic Special ECOSOC High-level Meeting last April. We were also able to formulate a common UNDP funding strategy.

6. During the past nine months, our Group has been able to draw international attention to the challenge of financing for development. For if left to themselves, financial markets will not go out of their way to finance economic growth in developing countries. Many developing countries, particularly the LDCs, are not able to attract private financial flows. Moreover, developing countries that are able to attract private capital flows run the risk of short-term capital entering and leaving them at staggering speed. Thus, the greater majority of developing countries must depend on ODA, which is in serious decline. In view of these adversities, our Group welcomed and actively participated in the resumed Fifty-second Session of the Second Committee on the High-Level International Intergovernmental Consideration on Financing for Development earlier this year.

7. At the ECOSOC this year, our Group stressed that if the developing countries had equitable market access for their exports, the revenues they derive from international trade can meet many of their financial requirements for development. We pointed out that developing countries have not substantially benefitted from the boost that the Uruguay Round agreements and the WTO have given to international trade. The provisions of the Round and the WTO should therefore be strictly complied with, particularly those on textiles and agricultural products. Moreover, there is an urgent need to strengthen the technical assistance provided by UNCTAD and the WTO to help the developing countries in building national capacities for fulfilling their commitments entered under the Marrakesh Agreements. Regional trade arrangements should also be strengthened because they are the building blocks toward a rule-based multilateral trading system.

8. Another major concern of the developing world is sustainable development. Our Group therefore participated actively in several international meetings on environmental issues. As to the issue of desertification, I earnestly hope that the forthcoming Second Conference of the Parties of the Convention to Combat the Desertification in Dakar, Senegal, this December, will mark a decisive step forward in the implementation of the Convention. Moreover, with regard to climate change, we have barely two months left before the Fourth Session of the Conference of the Parties of the United Nations Framework Conference on Climate Change takes place in Buenos Aires. The COP-4 must respect the mandate of the Convention and should not be distracted by extraneous issues. I firmly believe that the significance of the concept of partnership embodied in the Convention lies in the mobilization of sufficient financial resources, the provision of new and additional funding, and the transfer of environmentally sound technologies. The view of our Group is that the "principle of common but differentiated responsibilities", as agreed under Agenda 21, should be fully applied.

9. If the advocacy of our common interests is to be effective, we must bolster our solidarity and collective self-reliance. For this purpose, we should broaden and strengthen South-South cooperation and take advantage of the increasing complementarities among developing economies. We have always regarded South-South cooperation as an effective way of promoting international cooperation for development and the integration of developing economies with the global economy. For this purpose and as called for by the San Jose Declaration and endorsed by our 21<sup>st</sup> Ministerial Meeting last September, a High-level Advisory Meeting on the South Summit was convened in Jakarta last August and yielded a number of insights and recommendations that merit serious study. The Meeting explored initiatives to strengthen South-South cooperation and ways of bringing more balance to international relations. This Meeting and the forthcoming High-level Meeting on Regional/Sub-regional Cooperation in Bali from 2 to 4 December this year clearly

demonstrate the increased importance of and the increased emphasis being paid to intensifying South-South cooperation. I should finally like to take the opportunity to sincerely thank the Government of Cuba for its gracious offer to host the South Summit prior to the Millennium Assembly in the year 2000.

10. I trust that we will have a productive meeting today so that with clear and unified positions on issues of common concern, we can more effectively advance the cause of partnership for development in this 53<sup>rd</sup> General Assembly. We have busy months ahead of us and demanding tasks to attend to. I am confident, however, that if we persevere and we keep speaking with a single voice on the basis of our mastery of the issues of our time, the cause of development for which we have worked so hard will triumph and the spirit of partnership will prevail.