Statement

by

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at the

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on Microeconomic Policy Questions

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CHECK AGAINST DELIVERY
Mr. Chairman,

My delegation appreciates the critical importance of this agenda item at this period of global economic and financial uncertainties. We commend the Secretary-General for his reports on this agenda item. My delegation aligns itself with the statements made by Fiji and Ethiopia on behalf of the G77 and China, and the African Group respectively.

On 1st March, 2004, the Commission on the Private Sector and development presented its report titled "Unleashing Entrepreneurship: Making Business Work for the Poor" to the then Secretary-General, Kofi Annan. The report examined ways in which local business could contribute to the eradication of poverty in developing countries. Central to the report's assessment are small and medium enterprises in developing countries.

International trade remains indispensable to economic development and sustained growth especially in this era of rapid globalization and phenomenal transition of economies. In order for countries especially in the South to achieve their full potential, a universal, rules-based, open, non-discriminatory and equitable international trading system would be needed to stimulate economic growth and development. The speedy conclusion of the Doha Rounds of trade negotiations is therefore, of great importance.

Nigeria's trade policy has always rested on the integration of its economy into the global market system through: (i) progressive liberalization that enhances competition among domestic industries, (ii) effective participation in multilateral trade negotiations at the regional and global levels, (iii) promotion of transfer, acquisition and adoption of appropriate technologies and (iv) support for regional integration and cooperation.

In its determined effort to improve Nigeria's global competitiveness and maximally benefit from the international trading system, the Federal Government of Nigeria designed an inclusive economic Transformation Agenda that recognized trade and foreign direct investment (FDI) as key drivers of the Nigerian economy. Concerted efforts are also being made by the Government to diversify the economy to emphasis development of the country's non-oil resources such as agriculture, manufacturing and solid minerals.
Mr. Chairman,

South-South cooperation has expanded rapidly, and is proving to be a potentially important source of Official Development Assistance (ODA). However, the dwindling flow of ODA from the traditional sources into the economies of the South remains a matter of great concern. We believe that ODA from the traditional providers still remains an important source of investment and driver of development of the economies of the South. The ongoing discussions on the Post-2015 Development Agenda and the component on financing for development (FfD) should therefore, not overlook or downplay the importance of ODA flows. Nigeria also believes that international efforts should focus on curtailing illicit financial flows among other corrupt and criminal practices, including cross-border tax avoidance and evasion and transfer mispricing.

Mr. Chairman,

Remittances from migrants and Diaspora sources are of particular importance to developing countries as a source of financing for development especially in augmenting household incomes and paying for such vital services as education, health, and employment. In view of this importance, global efforts at diversification of financial sector, the reduction of remittances costs, Diaspora engagement programmes and macroeconomics policies to stimulate private investment should be pursued.

Transaction costs and credit provision for small–and medium sized enterprises, as well as to make formal channels of making remittances more attractive. In this regard, the monopoly enjoyed by money-transfer operators, which limits competition had tends to increase the cost of sending money should be investigated. Other stakeholders including Post Offices, savings and credit cooperatives, and micro-finance institutions should be allowed to provide remittances and financial services for the rural population in the developing countries.

Nigeria urges the international community to adopt urgent and effective measures to restrain states from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law
and the Charter of the United Nations. Such actions hinder market access, investments and freedom of transit and the well-being of the populations of affected countries. We believe meaningful trade liberalization requires addressing non-tariff measures including, inter alia, unilateral measures, where they may act as unnecessary trade barriers.

**Mr. Chairman,**

We are not under any illusion that the task of creating a new regime of stable and responsive international financial system would be easy to accomplish. As the world anticipates the dividends of reforms of the international financial system, the unceasing effects of the present imbalances continue to undermine the capacity of the developing countries to withstand and respond to the exacerbated character and impact of the current global economic crisis. The result is increased poverty, hunger and overall development deficit. To offset this, we call for a shift from mere declarative commitments to more concrete initiatives aimed at bridging the financing gaps through increased FDI and commitment of donors to their ODA obligations. Furthermore, aid flows should not only be predictable but should be focused and free from unrealistic conditionalities. Also, aid to developing countries need to be made complementary and development-oriented such that beneficiaries will be self-sufficient.

Furthermore, Nigeria believes that Foreign direct investment (FDI) remains a major component of private capital flows to developing countries and it has the potential to advance economic development in a number of ways, including by generating knowledge spillovers. In addition, Nigeria believes that a holistic reform of the global financial architecture should enhance the resilience, transparency and capitalization of the international financial system.

We must collectively guide against the mistakes of the past by resisting the temptation of parochial national and group interests and redress the faulty vestiges of the defective status-quo to give way to a new world economic order that is equitable, transparent and inclusive. Similarly, my delegation would like to seize this opportunity to call on the international community to expeditiously undertake an ambitious reform of the governance structure of the international financial institutions through granting of a greater representation and voice to
Africa and other developing countries, based on sovereignty, equality and mutual respect.

Mr. Chairman,

The adverse effects of the sovereign debt crises on social and economic development of developing countries has aggravated infrastructural deficits, unemployment and cuts in public spending including on health and education. Thus, the importance of external debt sustainability to the achievement of national development goals, including the Millennium Development Goals (MDGs) cannot be over-emphasized. For many developing nations, debt servicing efforts geared towards ameliorating their escalating debt burden has been plagued by negative externalities such as adverse exchange rate movements and unpredictable and volatile remittances in Official Development Assistance (ODA).

Nigeria believes that national efforts towards development goals must be complemented by supportive programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into consideration national conditions and ensuring respect for national ownership, strategies and sovereignty. We also believe that debt relief, including debt cancellation and debt restructuring represent veritable tools of debt crisis prevention and management for mitigating the impact of the world financial and economic crisis in developing countries.

Finally, my delegation would like to stress that it is imperative for the global community to sustain the progress made under the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative as these mechanisms have drastically reduced debt vulnerabilities of developing countries and enabled them to increase their investment in social services.

I thank you