

Singapore Government

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STATEMENT BY LEADER OF SINGAPORE DELEGATION
MR HAJI YA'ACOB BIN MOHAMED (MINISTER OF STATE),
SINGAPORE HIGH COMMISSIONER TO INDIA
AT UNIDO III, NEW DELHI, (21 JAN - 8 FEB '80) ON 22 JAN '80

On behalf of my delegation, I would like to congratulate you, Mr President, on your election. I am confident that, under your able guidance, the Third Session of UNIDO will reach decisions that will promote industrialisation and economic development in the developing countries. May I further express our deep appreciation to the people and Government of India for hosting and making the necessary preparations for this meeting.

Much has already been said about the sad state of the world today. However much I want to avoid adding to the gloom, it is necessary to point out that only limited progress has been made in alleviating the plight of the majority of mankind. The last two Decades of Development have failed to achieve their goals. The World Bank has estimated that 800 million people still live in absolute poverty and at the margin of existence. The prospects for the coming years are grim. For instance, the OECD recently forecasted that its member countries will experience an overall growth rate of only one per cent in 1980, compared to the 3.25 per cent in 1979. Inflation in these countries will remain high and continue to hamper measures for economic recovery. These problems will inevitably affect world economic recovery and the growth prospects of developing countries.

The one sign of encouragement is the growing recognition that structural economic changes are urgently needed and that global interdependence now requires the combined efforts of both developed and developing countries to lift the world economy from the present morass.

The test will come when member countries, particularly those with the greatest means of changing the direction of the world economy, are asked to respond to proposals that aim at resolving global economic problems and improving the lives of the majority of mankind.

So far, the structural changes I talked about are coming too slowly. The UNIDO publication "Industry 2000 - New Perspectives" has cited latest available statistics that in 1977, developing countries accounted for only nine per cent of manufacturing production and eight per cent of the trade in manufactures. This does not give very much hope that the 25 per cent target set by the Lima Declaration will be met by the year 2000. A major problem is that the weakened economic capacities of the developed countries have diminished their political will to effect changes that are painful in the short term but essential for a return to faster growth in the long run.

The general direction in which we should go appears very clear to my delegation. On our part, the developing countries will create conducive conditions for successful industrialisation. This will include the readiness to work hard for a better society, the formulation and implementation of sound economic policies, and the development of other conditions to attract foreign investments. However, the efforts of developing countries must be matched by similar political will from the developed countries. The developed countries must be willing to restructure their economies to gain maximum advantage from the international division of labour. This can be done in the following ways. First, they should allow improved market access to the industrial products of developing countries. The increased competition will remove those uncompetitive industries which use valuable manpower inefficiently, and redeploy these resources for better use.

Secondly, the developed countries should take more positive action on internal industrial adjustments. These adjustment measures will prepare the developed economies for a higher growth path and alleviate the short-term difficulties caused by open competition.

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