

STATEMENT BY CUBA

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**Statement by His Excellency, Mr. Raúl de la Nuez,
Minister of Foreign Trade of the Republic of Cuba
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Mr. Chairman:

Distinguished Heads of State and Government:

Respectable personalities:

On behalf of my country, I would like to thank Brazil for holding this important meeting. Likewise, I would like to commend its Government and its people for the excellent organization of the event and the warm hospitality accorded to us by this beautiful city of Sao Paulo.

Mr. Chairman:

Forty years after the holding of the First United Nations Conference on Trade and Development in 1964, we recall the statement made then by Commander Ernesto Che Guevara. There, while denouncing the injustices of which the developing world was a victim and Cuba's conditions as a country under aggression, he called for the indispensable establishment of a system of justice and equity that enabled the exploited peoples of the Third World to achieve decent standards of living.

Today his words are as valid as they were then. Injustices to our countries of the South have not ended, and equity –so much demanded—remains as elusive as it was four decades ago.

Cuba is facing one of the most terrible aggressions of all times as a result of the economic warfare that the United States Government wages against my country. This has been further aggravated by the measures announced on last May 6th, which seek to surrender the Cuban population by hunger and diseases and that are in violation of the most elemental principles of international law, the purposes of the United Nations Charter and international trade rules.

Mr. Chairman:

Over the last 20 years, economic and social polarization has increased between rich and poor countries. Suffice it to quote some figures.

Today, 20% of the world population concentrate for themselves 86% of the world's wealth, while 80% survives with barely 14%. The richest 5% receives 114 times the income of the poorest 5%, while the richest 1% gets as much as the poorest 57%. More than 1.2 billion people –one out of every five in the whole world—survives with less than a dollar a day; 854 million adults are illiterate and every year, in the Third World countries, over 12 million children die of causes which, in most cases, can be avoided.

Whereas, in rich countries, less than 5% of all children under five suffer from malnutrition, in poor nations the proportion reaches up to 50%. A child from an industrialized country is going to consume in his lifetime what is consumed by 50 children in a developing country.

The issue of the external debt of developing countries remains an outrage. As we have reiterated repeatedly, the debt has been paid off more than once. Today developing countries are four times more indebted than they were in 1980, with a total external debt amounting to 2.4 trillion dollars.

It is more evident nowadays than ever that the debt is not an economic issue, but a political one. Therefore, a political decision is required. One cannot continue to ignore that this is an issue whose solution shall fundamentally come from those with the resources and power to do it: the rich countries.

Furthermore, Official Development Aid has failed to reach the level pledged decades ago. This is due to the lack of political will of many economic powers, which have even try to bypass their commitments by proposing formulas of aid that carry with them new conditionalities to the countries of the South.

It becomes necessary to apply flexible initiatives that enable the contribution of new resources and create a different negotiating space that goes beyond the rigidity of existing institutions. The question lies in ensuring the resources that allow our countries to obtain financing that is fresh, stable and on concessional and unconditional terms.

Mr. Chairman:

The scientific and technical development, monopolized by the privileged club of the rich countries, is out of our reach as they control research centers, own most of the patents and make ever more difficult our access to knowledge and technologies. The technological divide contributes to the marginalization of many developing countries, which is compounded by the shameless drain of the most qualified *intelligentsia* that Third World countries are victims of.

Trade liberalization outcome has been dramatically far from the expected estimates for 85% of humanity. It has essentially consisted in the countries of the South unilaterally eliminating instruments of protection without the developed countries doing the same to allow Third World exports enter their markets.

Tariff and non-tariff barriers persist; subsidies in the countries of the Organization for Economic Cooperation and Development amount to 300 billion dollars. Examples of these are the huge subsidies that developed countries give to their sugar and cotton producers, in detriment of producers in the South countries, forcing many into bankruptcy and increasing poverty and underdevelopment.

We must strive to achieve the true development dimension. There is no other alternative than finding possible solutions and introducing profound changes in the prevailing economic and social order, which is no longer sustainable or endurable.

Cuba wishes to take this opportunity to reiterate some proposals:

- A 0.1% development tax should be established on international financial transactions. That would generate resources of nearly 400 billion dollars per annum, which well managed by the UN and its system of institutions could change the current situation.
- The external debt of developing countries –whose total amount has been paid several times over—must be cancelled immediately. That would allow that the more than 330 billion dollars per year currently dedicated to the debt service, be used for development.
- It must be agreed, as an immediate step, that 50% of what is devoted to military expenditure nowadays be integrated into a fund at the disposal of the UN for sustainable development. That would bring in almost 400 billion dollars right away.
- A new international financial architecture must be established. It should include the disappearance of today's IMF and its replacement by an international public institution that operates on democratic basis and has no veto power for anyone, that is not an exclusive defender of the rich creditors, that do not impose interfering conditionalities and which allow to regulate financial markets to halt the overwhelming speculation.

Mr. Chairman:

Over these 40 years, UNCTAD has carried out an important and hard work:

- ✓ It has warned about negative consequences of the prevailing financial and commercial relations for the development of the Third World.
- ✓ It has formulated recommendations for macroeconomic policies that are valid in order to reverse the situation and turn trade into a real and effective means of development of all humanity and not just a part of it.

However, its anniversary is marked in one of history's most adverse international junctures.

Today more than ever, there is a need for a fair and equitable trade that ensures special and differential treatment for developing countries, and the strengthening of multilateralism and the role of the United Nations on the basis of unlimited respect to its Charter.

In this context, we hope UNCTAD continues to play a strategic role in favor of the interests of developing countries.

Thank you very much.