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Plenary on Item 11b:
Report on UNCTAD assistance to the Palestinian people

Speaker: South Africa

Tuesday, 24 September 2013

*Not checked against delivery **

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**UNCTAD 60TH SESSION OF THE TRADE AND DEVELOPMENT BOARD (TDB)
SOUTH AFRICA STATEMENT ON AGENDA ITEM 11 (b), UNCTAD
ASSISTANCE TO PALESTINE
24 SEPTEMBER 2013**

Mr President,

South Africa aligns itself fully with the statements made by the Distinguished Representatives of Ecuador, on behalf of the G77 and China, and Ethiopia, on behalf of the African Group.

The South African delegation also expresses its appreciation to the UNCTAD Secretariat for the insightful yet disturbing Report on the dire economic situation in the Occupied Palestinian Territory. The report highlights the insidious impact of the prolonged Israeli occupation, as well as its discriminatory regime and practices that violate United Nations resolutions and international law with impunity. My delegation is outraged that the consequences of the restrictive actions being perpetrated by Israel over the past year in the Occupied Palestinian Territories, including the loss of land and much-needed productive resources, feeble economic performance, the undermining of human capital formation, bleak political prospects, further declining gross domestic product (GDP), a deepening fiscal crisis, lower wages and alarming, rising levels of poverty and unemployment.

The Report highlights the risks and long-term damage to the economy of Israel's occupation. Furthermore, according to the Report, the Palestinian economy faces the threat of losing its capacity to compete in the global market, with its ability to export goods and services having "substantially deteriorated" since the late 1990s, dropping to 7% in 2011. The World Bank's Economic Monitoring Report of March 2013 concurs, in pointing out that "while the donor community's efforts have been directed towards short-term relief for Palestinian fiscal stress, it is important to recognize that the prolonged system of closures and restrictions is causing lasting damage to the competitiveness of the Palestinian economy".

The situation continues to be exacerbated by the chronic fiscal crisis, compounded, in turn, by the leakage of Palestinian fiscal revenues from smuggling and lost tax revenues on imports via Israel. The challenge of Palestinian fiscal leakage requires urgent attention. The Report's analysis starkly demonstrates the extent to which Israel has contributed to the current Palestinian fiscal crisis. My delegation therefore, fully supports the recommendations elaborated in the Report on measures to contain fiscal resource leakages in the Occupied Palestinian Territory. In addition, my delegation notes with anticipation from the Report that UNCTAD will publish, later this year, the outcome of its in-depth analysis on this matter. It is hoped that this analysis will provide a framework for stemming such leakages.

Mr President,

As if all of this bad news were not enough of a damning indictment, the Report recognizes no grounds for optimism, reflecting, instead, with poignant understatement, that conditions in the Occupied Palestinian Territory "are expected to deteriorate further".

The bleak picture painted by both the UNCTAD and the World Bank Reports is demoralizing, especially in light of the economic potential of the Palestinian Territory, which can only be harnessed effectively with an end to Israel's occupation.

The halting of settlement construction is seen by the South African Government as a commitment already agreed to by Israel during the preceding peace negotiation, including at the Annapolis International Middle East Peace Conference, which took place in November 2007, and in which South Africa participated. The UNCTAD Report notes that the decline in aid inflows and the ensuing fiscal crisis have begun to reveal the full impact of the Israeli occupation on the Palestinian people and their economy.

Over the years, the international community has extended extensive support to spur economic growth in Palestine. However, these efforts have not yielded the desired results, largely due to the absence of an enabling environment, made worse by the Israeli restrictions and controls on movement of Palestinian people and goods, as well as the expansion of settlements. As captured in one of the sub-headings in the UNCTAD Report, "occupation and settlement make development unattainable".

My delegation applauds UNCTAD's continued assistance to Palestine in the face of such intractable obstacles, including adverse field conditions, especially in view of the difficulties encountered by UNCTAD staff in accessing the field through Israeli entry points. In this regard, my delegation calls on the Israeli authorities to provide unhindered access to UNCTAD officials to the Occupied Palestinian Authority, in compliance with the provisions of the 1946 Convention on Privileges

and Immunities. South Africa deplores any actions that impede the international community's support to the people of Palestine.

Furthermore, South Africa continues to strongly oppose the blockade of Gaza, its inaccessibility with respect to humanitarian aid, and the general dire humanitarian and human rights situation that this causes.

My delegation agrees with the assertion in the Report to the effect that aid, as much as it is essential for relief, for sustaining the Palestinian Authority and for preserving the economy from collapse, is no substitute for sovereignty over land, borders, trade and economic policymaking.

Therefore, Mr President, South Africa will continue to work with the international community, in supporting the right of the Palestinian people to self-determination, consistent with the United Nations Charter, fulfilling their aspirations for an independent, democratic, sovereign, united and viable State of Palestine living side by side with the State of Israel and to be welcomed as a full member of the UN system, as is already the case in UNESCO. My Government's support to the Palestinian cause includes operational and practical support through capacity-building, intergovernmental cultural exchange programme, as well as international aid and development projects in the West Bank and Gaza.

I thank you, Mr President.