

Trade and Development Board, fifty-ninth session
Geneva, 17–28 September 2012

**Item 11b: Report on UNCTAD's Assistance
to the Palestinian people**

General statements by member States
Speaker: South Africa

Monday, 24 September 2012

*Not checked against delivery **

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UNCTAD

**59TH REGULAR SESSION OF THE TRADE AND DEVELOPMENT BOARD (TDB)
SOUTH AFRICA STATEMENT ON AGENDA ITEM 11 (b), UNCTAD ASSISTANCE
TO PALESTINE**

24 SEPTEMBER 2012

Mr. President,

South Africa aligns itself fully with the statements made by His Excellency the Ambassador of Mauritius, on behalf of the Africa Group and by His Excellency the Ambassador of Indonesia, on behalf of the G77 and China.

My delegation is also grateful to the UNCTAD Secretariat for the preparation of the documentation.

This is one of our most important agenda items. Support for the people of Palestine has long been a major area of focus for South Africa. First, however, I will comment on the assistance provided by UNCTAD to the Palestinian people.

South Africa greatly appreciates the continued support provided by UNCTAD to the Palestinian people in coping with adverse socio-economic conditions and in building the human institutional capacities and economic conditions required for a sovereign Palestinian State, as reiterated by the relevant United Nations resolutions, and in accordance with the mandates of UNCTAD X, XI XII and XIII, respectively. We wish to see the mandate of UNCTAD to support the Palestinian people expanded and strengthened, commensurate with the needs of the Palestinian people and economy.

The analysis contained in the *Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory* is deeply disturbing, Mr. President, revealing as it does the reasons why the Palestinian economy continues to operate so much below its potential. The *Report* highlights, for example, the fact that the long-term prospects for Palestinian economic development became even more bleak and unattainable in 2011, than had been the case in the

previous years, due to restrictions on movement, faltering aid flows, falling productivity and real wages, a virtually paralysed private sector, low development expenditure, devastated infrastructure and a chronic fiscal crisis. Persistent high unemployment is also widespread and exacerbates poverty, with one in two Palestinians being classified as poor. In the face of a persistent trade deficit and overwhelming economic dependence on Israel, greater capture of trade-related fiscal revenue by the authorities of Palestine is critical if the development aspirations of the Palestinian people are ever to be realized.

The *Report* confirms that the absence of a political horizon that would match progress in the Palestinian state-building agenda remains the fundamental impediment to realizing a more meaningful change for Palestinians on the ground. Recovery of the Palestinian economy requires credible steps towards the two-state solution, as envisaged by the relevant United Nations resolutions.

The *Report* documents the extent to which occupation of Palestine has eliminated marketing opportunities, shrunk the land and natural resources upon which productive units can be developed and thwarted private sector investment by increasing the cost and risk to producers. The impact of occupation on the Palestinian productive base, especially the agriculture sector, has been devastating. As highlighted in the *Report*, further impoverishment, with increased demolitions of Palestinian infrastructure (especially homes) and the expansion of Israeli settlements, have added to the existing physical fragmentation between what is aptly referred to as “various Palestinian *”bantustans”*”.

Mr. President,

South Africa’s policy position on the situation in Palestine is inevitably informed by our history of apartheid, oppression and abuse of human rights.

South Africa deplores any actions that do not assist in the international community’s quest for a permanent solution to the Israeli-Palestinian question. We will continue to support the right of Palestinians to self-determination, consistent with the United Nations Charter and for the Palestinian People to realise their aspirations to represent themselves within the UN system, as they already do in UNESCO. 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.

South Africa continues to encourage a just solution with respect to the right of return of Palestinian refugees. My Government's support to the Palestinian cause includes operational and practical support through capacity-building, intergovernmental cultural exchange programmes, as well as international aid and development projects in the West Bank and Gaza.

In particular, my delegation wishes to highlight the fact that South Africa has been proactive in ensuring policy coherence in our support for the Palestinian people. In May 2012, The Government of South Africa released Government Notice 379 of 2012, which requires traders in South Africa to refrain from incorrectly labeling products, for sale in South Africa, that originate from the Occupied Palestinian Territory as products purportedly emanating from Israel. In this regard, consumers in South Africa should not be misled into believing that products originating from the Occupied Palestinian Territory are products originating from Israel. This initiative enables South African consumers to decide for themselves, on the basis of accurate labeling information, whether or not they wish to purchase a given product.

Mr. President, despite limited resources, UNCTAD has continued to support Palestinian institutional capacity development in different areas, including through technical cooperation, capacity development and training, advisory services, initiatives on Customs modernization, trade facilitation, and econometric modeling of the Palestinian economy. Yet, so much more needs to be done. To maintain and build on these important achievements, mobilizing additional resources will be essential, as UNCTAD will need to significantly expand its activities in the coming years. This is in line with the renewed commitment contained in the Doha Mandate. South Africa calls upon all Member States to contribute in a manner which is commensurate with their means and ability to do so, to the implementation of this important commitment.

I thank you, Mr. President.