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**Statement by
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UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS
TO THE 40TH SESSION OF THE STATISTICAL COMMISSION
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Mr. Chairman,
Distinguished Delegates,

It is my great pleasure to welcome you to the 40th session of the United Nations Statistical Commission. This is the second time I am addressing you in my capacity as the Under-Secretary General for Economic and Social Affairs.

Since your last session, and especially during the last quarter of 2008, the world economic outlook has drastically deteriorated. We now face the worst economic crisis since the Great Depression. Volatility in energy prices and higher food prices threaten to unravel economic development gains. And climate change is beginning to show its impact by altering weather patterns with detrimental effect on economic and social development.

Let me briefly develop these three concerns and challenge you, as representatives of the global statistical community, to make your technical contribution in these areas.

The past year marked the end of a prolonged period of robust world economic growth. Equity prices have fallen sharply worldwide. A number of major financial institutions have collapsed. Liquidity has evaporated in financial markets.

These financial strains are exerting tremendous downward pressure on economic activity worldwide. The impact of the global financial crisis is spreading rapidly to the emerging and developing economies, through both financial and trade linkages. The rapid decline in global consumer demand has led to a dramatic fall in exports in many economies. Unemployment is rising in many countries.

According to the United Nations' forecasts, these developments may lead to a synchronized global economic downturn in 2009, with global output falling by about 0.4 per cent in 2009. This is a sharp turnaround from the 2.5 per cent growth estimated for 2008. With the world population expected to grow by about 1.2 per cent, incomes for people around the world may decline on average by almost 2 per cent this year. In addition, the employment situation is expected to deteriorate dramatically in most regions during 2009.

The financial crisis comes on top of a sharp rise in food prices and volatility in energy prices, threatening to unravel development gains, sparking social unrest and depleting government coffers. Even as food prices have fallen recently, they are still higher than they were

in 2006, leaving many poor in dire straights to satisfy their daily food needs. This situation threatens to reverse the progress made towards the Millennium Development Goals, particularly the goal of reducing poverty and hunger.

The international community only belatedly recognized the food crisis. Despite the mobilization of resources to meet the immediate food needs of the poor, there is still a need to analyze the deeper problems that have undermined food security. Urgent action is required to seek a long-term solution to the food and energy crises by developing the necessary information frameworks.

In addition to the economic setbacks, we are facing the challenges of climate change. If we act now, we have a chance to avoid the more disruptive climate changes, and their impact on economic and social development. Stepping up our efforts on a path of sustainable development would benefit us all – and especially the poorest and most vulnerable people of our societies.

Climate change is a complex, multi-dimensional problem. An effective and sustainable response to climate change demands the best, most up-to-date assessments of the issue, made in a holistic and multi-disciplinary way.

These global policy challenges highlight the importance of having timely, consistent and relevant data at all levels. Your work has become far more important than ever before: to produce high quality and globally comparable statistical information.

I am encouraged by your agenda for this session, which shows that the Commission is responding to the policy challenges – and will address agriculture statistics, energy statistics and environment statistics, as well as statistics for climate change.

A milestone will also be reached at this session with your final review of the updated System of National Accounts. The System serves as the apex international statistical standard for all macroeconomic statistics and the basis for all analytical approaches that look at the interaction of the economy with other development fields, such as the environment.

The system of national accounts as a macroeconomic framework is well accepted. Yet, I understand that lively discussions have taken place in advance of the Commission session, on the impact of the financial crisis, and on how official statistics should respond to globalization and the global crises. I hope these discussions will lead to swift proposals and synchronized actions by the global statistical community towards better monitoring of the financial system and towards more timely and comparable data on the vulnerable sectors of the global economy. In this regard, I look forward to next year's session, when the Commission will discuss and endorse concrete proposals on synchronized actions to improve the monitoring and dissemination of new and innovative national indicators, on vulnerable economic sectors and on threats to societal well-being.

Formulating new international standards, methods and monitoring mechanisms is just one necessary step forward. Gathering critical statistical information, in a collective and synchronized way, depends on national statistical capacity to produce a comprehensive set of official statistics. Therefore, building and strengthening this capacity, especially in the developing countries, must remain the overarching concern of the global statistical community

and its development partners. Scaling up investments in building strong national statistical systems in developing countries, and helping them to develop a strategic plan for achieving this, are absolutely critical.

My Department is fully committed to help mobilize the necessary support for building statistical capacity in the developing countries from Member States and from our development partners. In this context, I would also like to stress, again, the need for effective coordination and cooperation in this matter, among all international statistical partners.

The cornerstone of the work of the Statistical Commission has been its professionalism, independence and technical knowledge. For continued success, the work of the Commission must remain anchored in these core strengths. I consider it my responsibility to assist you in retaining your technical focus, so that all stakeholders can continue to benefit from your unique statistical expertise.

We in the Department for Economic and Social Affairs are honoured to serve the Statistical Commission and facilitate the development of the global statistical system. I would like to express my appreciation for the support you have provided to the Statistics Division of my Department, as it strives to implement the decisions that you have reached. I am confident that you will continue your support, thus enabling us to serve you better.

Let me also say how proud I am of our Statistics Division. The Director Mr. Paul Cheung and his team are doing an excellent job. Of course there is always room for us to improve.

Let us all face these global challenges with utmost energy, optimism and determination. Let us work hard, together.

Thank you.