

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)

Negotiating Group on Functioning
of the GATT System

RESOLUTIONS OF THE TRADE AND DEVELOPMENT BOARD
OF UNCTAD

Note by the Secretariat

At the suggestion of the Secretary-General of UNCTAD, the text of resolutions 374 and 376 of the Trade and Development Board of UNCTAD, both dated 13 October 1989, are reproduced below for the information of the Negotiating Group on Functioning of the GATT System.

Resolution 374 (XXXVI)

Interdependence of problems of trade, development
finance and the international monetary system

The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX) of 30 December 1964, resolutions 1989/110 and 1989/111 of the Economic and Social Council, the Final Act of UNCTAD VII and its decision 350 (XXXIV),

Reiterating the centrality and continuing importance of the debate on interdependence of problems of trade, development finance and the international monetary system,

Appreciating the efforts of the Secretary-General of UNCTAD to strengthen the debate on interdependence and the comprehensive analysis in the Trade and Development Report 1989, and the role of UNCTAD as an instrument of international dialogue and co-operation in economic and development matters,

Concerned that disparities in growth and development between countries, in particular between developed and developing countries despite growing interdependence, and satisfactory growth in a few developing countries, have considerably increased,

Concerned that the economies of the majority of developing countries, particularly the least developed countries, continue to be in a state of stagnation and regression leading to further decline in economic growth and development and increase of widespread poverty,

Convinced that these disparities and negative trends endanger world economic growth and stability,

Underlining the importance of structural adjustment and convinced that an external economic environment conducive to sustained growth and development, in particular of developing countries, is crucial for the success of ongoing domestic economic policy reforms,

1. Reiterates the pledge to a reinvigorated effort to strengthen multilateral co-operation to promote and give effect to policies aimed at revitalizing development, growth and international trade, and to enhance the effectiveness of UNCTAD as an important instrument of international economic co-operation;

2. Recognizes the acute need for appropriate intergovernmental and national actions for handling of interdependence of problems of trade, development finance and the international monetary system in a comprehensive and broad-based manner to ensure mutual benefit for all, especially developing countries. In this context recommends that:

(a) Governments design and implement effective national and international policies and adopt measures with a view to promoting balanced and more evenly spread economic growth and development for the benefit of all countries;

(b) Governments engage in a more comprehensive, sustained and productive dialogue towards that end.

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13 October 1989

Ex. TD/B/L.882 (draft resolution submitted by the President)

Resolution 376 (XXXVI)

Twenty-fifth anniversary of UNCTAD

The Trade and Development Board,

Recalling General Assembly resolution 43/183 of 20 December 1988 and Board resolution 365 (XXXV) of 14 March 1989 on the twenty-fifth anniversary of the United Nations Conference on Trade and Development,

Acknowledging with appreciation the statements made and messages delivered on the occasion of the twenty-fifth anniversary of UNCTAD, as well as the activities organized by the UNCTAD secretariat to mark that occasion,

Adopts the following Declaration:

1. Positive conditions exist for strengthening international economic co-operation, including co-operation for development. The international political climate is propitious. Steady growth in global output and trade offers opportunities for progress in developing countries. None the less, substantial obstacles remain. Participation in the benefits of economic expansion and technological advance is unequal. Extreme inequalities of income distribution persist, poverty is widespread, vast human potential is wasted and ecological systems are threatened. Economic stagnation and retrogression prevail in a large number of developing countries. The problems of the least developed countries and those of African developing countries are particularly acute.

2. There is therefore no cause for complacency, but a basis and an urgent need exist for concerted national and multilateral action to attack the obstacles to a healthy, secure and equitable world economy. These obstacles will not be overcome by spontaneous economic forces alone. At both national and international levels, access to opportunities for the generation of wealth and income should be broadened, within a framework of rules and co-operative arrangements, based on consensus. All countries are responsible for contributing to the required action in accordance with their capacities and economic weights. UNCTAD can play a prominent role in this effort through analysis, new ideas, initiatives, dialogue, negotiation, decisions and technical co-operation.

3. From its roots in the mandate established by General Assembly resolution 1995 (XIX), the role of UNCTAD has evolved under the guidance of successive sessions of the Conference. The consensus embodied in the Final Act of UNCTAD VII continues to provide a valid framework for formulating specific policy measures. UNCTAD has responded to changing conditions, needs and orientations, while maintaining its universal character and its development mission. Important policy advances and agreements have been achieved through intergovernmental negotiation in UNCTAD and by the influence of its work on the thinking and decisions of governments and other international forums. There is a need to strengthen further the impact of UNCTAD's work on national and international policy making. To this end,

member States should further encourage institutional linkages and bring specific national perspectives and interests more directly to bear in debates and negotiations, in order to forge durable multilateral solutions.

4. The main substantive challenge facing UNCTAD is to bring fresh thinking to bear on long-standing problems and new areas of concern, with a view to promoting innovative policy measures. It should do so taking full account of the interdependence of economies and of policy areas, of long-term structural changes in the world economy, as well as of the need for a more supportive and predictable international economic environment for trade and development, particularly of developing countries. It should also explore the policy implications of the diversity of the growth and development experiences of different countries, as well as of integration processes having a major impact on the world economy. UNCTAD should continue to pay special attention to economic problems faced in common by developing countries, notably in expanding and diversifying their production base and their trade in goods and services including their mutual trade, reducing commodity dependence, building financial, technological and transport capacities, coping with the debt burden and its consequences, adverse trends in resource flows, and undertaking adjustment programmes oriented to growth and development.

5. The future of the world economy and of international economic co-operation will be increasingly shaped by the exploration of different ways of integrating the pursuit of economic efficiency with broader national and international development objectives. While there is no universal criterion for determining the proper mix of economic management tools for stimulating economic growth and development, and a range of approaches and measures appropriate to particular situations are being applied, it is noted that more countries in all parts of the world are making use of market signals and competitiveness in promoting entrepreneurial initiative and in optimizing the contributions of the public and private sectors. A related factor will be the promotion of approaches to growth which would encourage sustainable development, responding to the needs of present and future generations of humanity. The eradication of poverty should have a central place in these endeavours. UNCTAD should make substantive contributions to multilateral co-operation in these areas, within its mandate. Moreover, the economic impact and opportunities of disarmament should command increasing international attention.

6. Committed to the objectives of UNCTAD, member States pledge themselves, individually and collectively, to rise to these challenges, to enhance their political support for UNCTAD and to make it a more effective and responsive instrument of international co-operation for trade, growth and development, particularly of developing countries.

761st meeting
13 October 1989