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LETTER DATED 24 SEPTEMBER 1990 FROM THE PERMANENT  
REPRESENTATIVE OF MAURITANIA TO THE UNITED NATIONS  
ADDRESSED TO THE SECRETARY-GENERAL

Pursuant to my letter of 18 September 1990 (S/21789), I have the honour to transmit herewith a letter addressed to you by His Excellency Mr. Hasni Ould Didi, Minister for Foreign Affairs and Co-operation, concerning the economic and financial repercussions of the implementation of Security Council resolution 661 (1990) on the Islamic Republic of Mauritania.

I should be grateful if you would have this letter distributed to the members of the Security Council so that they may consider it in accordance with Article 50 of the Charter of the United Nations.

(Signed) Mohamedou OULD MOHAMED MAHMOUD  
Permanent Representative

## Annex

### Letter dated 24 September 1990 from the Minister for Foreign Affairs and Co-operation of Mauritania addressed to the Secretary-General

Pursuant to my letter No. 1077 of 18 September 1990, by which I assured you of the determination of the Islamic Republic of Mauritania to comply with the provisions of Security Council resolution 661 (1990), I have the honour to set out below the problems which the Islamic Republic of Mauritania faces as a result of the implementation of that embargo, taking into account Mauritania's economic and financial relations with Iraq and Kuwait.

#### I. RELATIONS WITH IRAQ

1. While trade relations with Iraq were relatively insignificant, a \$5 million contract was to have been carried out for the delivery of fish, exports of which would have amounted to \$10 million.
2. In addition, Mauritania and Iraq were involved in joint ventures in the fishing industry (capital of \$20 million) and the mining industry (capital of \$70 million); the investment and export programmes for these ventures will be deferred, resulting in a loss of jobs and major funding.
3. Iraq was providing Mauritania with a subsidy and various forms of assistance equivalent to \$100 million (training, technical assistance, medicines, agricultural equipment, school supplies, etc.).
4. Transfers from Mauritanian workers in Iraq amounted to \$3 million.

The embargo against Iraq will thus cause Mauritania to suffer a loss the direct effects of which will cost \$63 million, a figure that could reach \$100 million if other effects on the economy are taken into account.

#### II. RELATIONS WITH KUWAIT

1. Traditionally, Kuwait has been one of the most important donors to Mauritania: current projects being financed by the Kuwaiti Fund for Arab Economic Development and projects for which Fund resources have been committed total \$37.85 million and \$49.1 million respectively. If the effect of the embargo on the Arab Fund for Economic and Social Development (AFESD), with headquarters in Kuwait, is also taken into consideration, these figures reach \$125.7 million and \$132.9 million respectively, or a total of \$258.6 million, which accounts for 40 per cent of the country's total investment programme. Moreover, the Inter-Arab Investment Guarantee Corporation was to have underwritten a major programme for the renovation of Mauritania's fishing fleet costing nearly \$50 million.

The drying up of this financial flow as a result of the embargo has an impact that goes far beyond mere numbers, since, in the final analysis, it is the development of Mauritania's very economy that is being sold short, particularly when one considers that such financing is often combined with financing from other sources. The halting of flows from Kuwait casts doubts on the availability of a significant portion of flows from other sources.

2. Kuwait also invested in Mauritania through joint ventures in real estate, the mining industry and processing industries; cutting off the influx of capital to joint ventures will stop their development programmes, eliminating even more jobs. Total unpaid capital stands at \$16 million.

Moreover, the effect of the embargo on the increase in crude oil prices has already caused Mauritania's oil bill to rise by \$15 million, and this will no doubt be followed by a rise in domestic prices and the price of imported goods.

3. Trade with Kuwait is relatively limited and involves primarily silver, gold and gems. Kuwaiti charity organizations provided assistance through official and unofficial channels totalling \$5 million.

Losses sustained in 1990 as a result of the embargo against Kuwait will total \$127 million as a result of direct effects and \$329 million when other effects on the economy are taken into account.

- In conclusion, the consequences of implementing the embargo will be serious for a country as poor as Mauritania, which must also face the problem of desertification.
- Mauritania's development programme will be interrupted and all the adjustments the country has undertaken for nearly six years will be called into question.
- There will be a significant rise in unemployment as enterprises are closed and/or dozens of projects are halted.
- The disequilibrium in the balance of payments will grow more pronounced: net flows from Iraq and Kuwait were largely positive.

There is thus reason to fear that the programme to rehabilitate the Mauritanian economy cannot be carried out according to schedule unless special assistance to offset lost aid can be secured. It is for this reason that, in accordance with Article 50 of Chapter VII of the Charter of the United Nations, which stipulates that, "if preventive or enforcement measures against any state are taken by the Security Council, any other state, whether a Member of the United Nations or not, which finds itself confronted with special economic problems arising from the carrying out of those measures shall have the right to consult the Security Council with regard to a solution of those problems", the Government of the Islamic Republic of Mauritania deems it necessary to request the Security

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Council to help it find solutions that will safeguard the economic and social interests of Mauritania.

(Signed) HASNI OULD DIDI  
Minister for Foreign Affairs  
and Co-operation

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