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Agenda item 5

DRAFT REPORT OF THE AD HOC MEETING ON TUNGSTEN

Held at the Palais des Nations, Geneva
from 2 to 3 July 1992

CONTENTS

<u>Chapter</u>	<u>Paragraphs</u>
INTRODUCTION	1 - 2
I. CONSIDERATION OF PROJECT PROPOSALS BY GOVERNMENTS AND INDUSTRY WHICH COULD BE SUBMITTED FOR POSSIBLE FINANCING UNDER THE SECOND ACCOUNT OF THE COMMON FUND FOR COMMODITIES (agenda item 3)	3 - 7
II. ORGANIZATIONAL MATTERS	8 - 13
A. Opening of the session	8
B. Adoption of the agenda (agenda item 2)	9
C. Representation	10 - 13

INTRODUCTION

1. The Ad Hoc Meeting on Tungsten took place in Geneva at the Palais des Nations from 2 to 3 July 1992. In the course of the session, there were two plenary meetings.

Opening statement

2. The Deputy Director of the Commodities Division recalled that the Committee on Tungsten, at its twenty-third session, had requested the ad hoc meeting for the purpose of considering project proposals by Governments and industry which could be submitted for possible financing under the Second Account of the Common Fund for Commodities. To this end, the Committee had adopted criteria and procedures for the appraisal of such projects. Furthermore, Committee members had agreed to provide China with written comments on its project proposals presented at the twenty-third session. On the basis of these comments, China had been invited to prepare a revised version for circulation to members of the Committee. A number of such comments had been received and the resulting revision had been issued in TD/B/CN.1/TUNGSTEN/AC.2. Likewise, following a presentation by the International Tungsten Industry Association (ITIA) of its project proposals, the Committee had invited ITIA to submit complete project proposals for consideration and these were also before the ad hoc meeting in TD/B/CN.1/TUNGSTEN/AC.3. He then drew the attention of delegations to institutional changes as a result of the decision taken at UNCTAD VIII to suspend all the existing Committees of the Trade and Development Board and, in consequence, their subsidiary bodies. Subsequently, at its thirty-eighth session, the Trade and Development Board, in adopting the terms of reference for the new Standing Committee on Commodities, decided that: "To assist it in its work, the Committee may have, as subsidiary organs, the Intergovernmental Group of Experts on Tungsten and the Intergovernmental Group of Experts on Iron Ore". Therefore it will be for the new Standing Committee on Commodities to decide at its first session, probably in October, on the establishment of the Intergovernmental Group of Experts on Tungsten. In this context, the new Standing Committee will clearly review the work of the Committee on Tungsten and take account of the outcome of the present ad hoc meeting. The first meeting of the Intergovernmental Group of Experts on Tungsten is currently expected to take place from 7 to 11 December 1992.

I. CONSIDERATION OF PROJECT PROPOSALS BY GOVERNMENTS AND INDUSTRY
WHICH COULD BE SUBMITTED FOR POSSIBLE FINANCING UNDER THE
SECOND ACCOUNT OF THE COMMON FUND FOR COMMODITIES
(agenda item 3)

3. In his introduction of project proposals for possible financing by way of grants under the second account of the Common Fund, the representative of China said that all the proposals put forward by China were high-tech research and development projects dealing with cemented carbide. Taking into account the written comments provided by different countries, his country had revised the three project proposals as contained in TD/B/CN.1/TUNGSTEN/AC.2. The object of those three projects was to enhance the performance of cemented carbide, extend its durability, increase its competitiveness with substitutes, improve structural conditions in markets, promote the diversification of tungsten products and expand the areas of utilization of tungsten. The success of these projects would be beneficial to all countries. He therefore believed that they were in conformity with the criteria for appraisal of projects submitted to the Common Fund for Commodities and the principles of operation as contained in the Rules and Regulations for the Operation of the Second Account of the Fund.

4. He further stated that these projects, once approved, would be executed specifically by Zhuzhon Cemented Carbide Industry Corporation of China which had already done considerable preparatory work and made an initial investment. With the technological expertise of this corporation, its further investments and, more importantly, the financing of the Common Fund, these projects would enjoy the maximum likelihood of success. The resultant products would be mainly oriented to supply the big domestic market in China.

5. In closing, he stated that, as a developing country, China attached great importance to the three projects and therefore he expected that they would be accorded the full support of all delegations. He then invited the senior industry experts in his delegation to elaborate on technical aspects of the project proposals and answer any questions raised by delegations.

6. The representative of the International Tungsten Industry Association (ITIA) introduced a project proposal entitled "Health and Environmental Effects Testing of Tungsten Materials", for possible financing under the Second Account of the Common Fund. He said that in elaborating the proposal, ITIA had borne in mind particularly criteria adopted by the Committee in 1991 for the appraisal of projects. The overall objective of the project was to develop a comprehensive set of health and environmental data on tungsten materials and to determine the degree of toxicity and potential hazard of tungsten compared to other competing materials. On the basis of the findings, tungsten users and producers would be able to minimize adverse effects and develop appropriate worker safety, public health and environmental protection measures. In his opinion, the knowledge gained from the project research would be valuable in promoting the use of tungsten against competitive materials. He concluded by saying that the project was also expected to have positive environmental and social effects.

7. In introducing the informal discussion on project proposals, the Chairman drew attention to the fact that the report of the meeting would be submitted for consideration by the envisaged Intergovernmental Group of Experts on Tungsten at its first session, which would take the final decision on the report.

II. ORGANIZATIONAL MATTERS

A. Opening of the session

8. The Ad Hoc Meeting on Tungsten was opened by Mr. E. Orbegozo (Spain), Chairman of the Committee on Tungsten at its twenty-third session.

B. Adoption of the agenda

(agenda item 2)

9. The Ad Hoc Meeting on Tungsten adopted its provisional agenda as contained in TD/B/CN.1/TUNGSTEN/AC/1.

1. Opening of the Ad hoc Meeting
2. Adoption of the agenda
3. Consideration of project proposals by Governments and industry which could be submitted for possible financing under the Second Account of the Common Fund for Commodities
4. Other business
5. Adoption of the report of the Ad hoc Meeting

C. Representation *

10. The following States members of UNCTAD were represented at the session:
Austria; Belgium; Bolivia; China; France; Germany; Japan; Netherlands;
Norway; Philippines; Russian Federation; Rwanda; Spain; Sweden; Turkey;
United Kingdom of Great Britain and Northern Ireland; United States of
America.

11. The following specialized agency was represented at the session:
International Monetary Fund.

12. The following intergovernmental organization was represented at the
session: European Economic Community.

13. The following non-governmental organization was represented at the
session: Special Category: International Tungsten Industry Association.

*For the list of participants, see document TD/B/CN.1/TUNGSTEN/AC/INF.1.