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TRADE AND DEVELOPMENT BOARD  
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Geneva, 20 September 1993

### DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON THE FIRST PART OF ITS FORTIETH SESSION

Rapporteur: Mr. Marcel Van der Kolk (Netherlands)

### AGENDA ITEM 9 : OTHER MATTERS IN TRADE AND DEVELOPMENT

Speakers: United States  
India  
Egypt  
Chile

#### Note for Delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments - to be submitted in English or French - should be communicated by Friday, 8 October 1993 at the latest to:

The UNCTAD Editorial Section  
Room E.8106  
Fax No. 907 0056  
Tel. No. 907 5654 or 5655

### Chapter III

#### OTHER MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT

(Agenda item 9)

Item 9 (a) - Progressive development of the law of international trade: twenty-sixth annual report of the United Nations Commission on International Trade Law

[To be completed]

Item 9 (b) - Market-based mechanisms for the transfer of technology to developing countries

1. For its consideration of agenda item 9 (b) the Board had before it the following note by the UNCTAD secretariat:

"Market-based mechanisms for the transfer of technology to developing countries" (TD/B/40(1)/CRP.3)

2. Opening the discussion on this item, the Director of the International Trade Programmes outlined the main points in the note submitted by the secretariat (TD/B/40(1)/CRP.3).

3. The representative of the United States of America said that, although technology transfer was an issue of great global interest and an appropriate subject for UNCTAD, the Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer had outlined far more work than could be accomplished in the time available. Moreover, the United States did not support the further consideration of the proposal discussed in the note by the secretariat, firstly for financial reasons in view of UNCTAD budget constraints, and secondly as a matter of principle since the proposed price wedge would be a market distortion rather than a market-based instrument. The United States was not in favour of interfering with the market and therefore proposed that the Board postpone work on this issue.

4. The representative of India considered that the proposal was important and that it did not amount to a market distortion as it aimed at strengthening the private sector in developing countries which were suffering from resource constraints. He supported the idea that UNCTAD should explore ways of providing concessional resources for the component of cost that developing countries could

not meet and suggested that the proposal be further reefined in the Ad Hoc Working Group or in another forum.

5. The representative of Egypt stated that her delegation needed additional time before taking a decision on such an important issue.

6. The representative of Chile supported the points made by India and Egypt. He considered the proposal to be innovative and believed that it was a possible facility for supporting technology transfer and that it would not disturb the free functioning of the market. He suggested that the Board might refer the issue to the Ad Hoc Working Group.

#### **Action by the Board**

7. At its 828th plenary meeting, on 21 September 1993, the Board decided to refer this item to the Ad Hoc Working Group on the Interrelationship between Investment and Technology Transfer for further consideration.