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TRADE AND DEVELOPMENT BOARD  
Ad Hoc Working Group on Trading Opportunities  
in the New International Trading Context  
Second session  
Geneva, 5 February 1996  
Agenda item 5

**DRAFT FINAL REPORT OF THE AD HOC WORKING GROUP ON TRADING OPPORTUNITIES  
IN THE NEW INTERNATIONAL TRADING CONTEXT, AS ADOPTED AT  
ITS SECOND SESSION**

Held at the Palais des Nations, Geneva,  
from 5 to 8 February 1996

Rapporteur: Mr. M. Nishioka (Japan)

**ANNEX: DRAFT SUMMARY REPORT OF THE SECOND SESSION**

Speakers:

Deputy to the Secretary-General of UNCTAD	Bangladesh (paras. 18-20 and 48)
Chairman	Cuba
Secretariat (paras. 11 and 27-28)	Zimbabwe
Islamic Republic of Iran (for Asian Group)	Switzerland
European Community	Colombia (for Latin American and Caribbean Group)
China	Russian Federation
	Japan
	Hungary

**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 Thursday, 15 February 1996 at the latest** to:

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Annex

**DRAFT SUMMARY REPORT OF THE SECOND SESSION OF THE  
AD HOC WORKING GROUP**

A. Introduction

1. The Ad Hoc Working Group on Trading Opportunities in the New International Trading Context held its second session at the Palais des Nations, Geneva, from 5 to 8 February 1996. In the course of its session, it held ... formal plenary meetings and ... informal meetings.

Introductory statements

2. The Deputy to the Secretary-General of UNCTAD said that the importance of tighter rules in respect of safeguards, anti-dumping and subsidies and countervailing measures had been recognized as far back as UNCTAD VI, and the international community had exerted considerable efforts during the Uruguay Round to establish more precise and applicable rules governing resort to these measures and their faithful application in national legislation, regulations and administrative practices. The secretariat's report (TD/B/WG.8/6) focused on the implementing legislation of a selected group of major trading countries, and its analysis again confirmed that the results were generally positive, since in most cases the most liberal aspects of the legislation had served as a model upon which the others had been aligned. Developing countries which understood those laws, as well as those of their other trading partners, should be able to improve their trading opportunities, though other factors such as cost could also create problems. In that connection, a seminar had been held on 4 December 1995 involving the participation of a panel of private practitioners experienced in defending the interests of exporting countries within the framework of the domestic legislation of importing countries. The report of the seminar was before the Working Group (TD/B/WG.8/CRP.1).

3. With regard to technical cooperation, the International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization, hosted by Switzerland, had recognized that the real world did not permit a division of labour based simply on mandates, but the functions and relevant skills of various organizations should be drawn upon to create de facto centres of excellence. The Seminar had also discussed ways and means of improving the effectiveness and coordination of trade-related technical cooperation between UNCTAD, WTO and ITC, and UNCTAD fully supported its suggestions. In particular a series of actions to enhance cooperation between UNCTAD and WTO had been

initiated by the executive heads of both organizations, and UNCTAD and ITC intended to intensify joint action as well. Special attention was being devoted to a joint programme to assist African countries follow up the results of the Uruguay Round.

4. The Uruguay Round Agreements were extremely complex, and while it was evident that the Agreements on Textiles and Clothing, Agriculture, Safeguards, Subsidies and Countervailing Measures and Anti-Dumping Measures provided new trading opportunities for developing countries and countries in transition, the ability of these countries to actually exploit such opportunities was a function of their ability (or the ability of their firms) to manage a series of variables, including the ability to assemble data to support their positions and an in-depth understanding of the laws of their main trading partners and their functioning. Another striking aspect was the apparent difficulty in applying certain of the concepts and mechanisms contained in these Agreements, which derived from the assumption that production was undertaken on a "national" basis by a "domestic" industry, to the realities of a world characterized by globalized production. The whole question of "origin" might have to be revisited. The question of contradictions between competition policy and anti-dumping legislation had also been raised quite frequently. A third observation was that disciplines in additional areas may be required to supplement the multilateral agreements and to ensure their effective application. For example, Governments were committed not to encourage private measures that had the same effect as the prohibited VERs, but had not accepted obligations to ensure that such measures were eliminated. Another observation related to the difficulties faced by developing countries in implementing these agreements as a result of lack of financial and human resources and the institutions that would be required to make independent rulings on the basis of objective criteria. The situation of the non-WTO members should be also taken into account. These countries did not enjoy the contractual rights of WTO members, and thus did not necessarily benefit from trade liberalization. This problem was particularly acute for countries in transition to a market economy. Finally, it should be noted that most of the Agreements contained an agenda for future review and possible revision and in some cases specifically committed members to future negotiations.

5. The Chairman said that the Group should try to determine how to help developing countries and economies in transition to benefit from the differential and more favourable treatment to which they were entitled, as well as to identify areas where assistance was necessary to help developing countries to implement the WTO Agreements. The process of trade liberalization had eliminated protectionist measures such as quantitative restrictions, while customs tariffs had been reduced dramatically and bound against increase. However, these

developments in turn had led to a rise in the use of contingency measures or trade remedies, particularly against developing countries. The WTO Agreements established more precise rules governing new and more complex protectionist measures, and one of their goals was to provide increased trading opportunities for developing countries. These new rules should therefore be used to defend market access opportunities through their reflection in the regulations and administrative practices of importing countries. The developing countries must be able to fully understand both the domestic laws of their main trading partners and the new WTO rules in order to use the multilateral trading system to their advantage, but many of them lacked the necessary experience and financial and human resources.

6. The main task of the Ad Hoc Working Group was to prepare a final report containing recommendations to the Committee of the Whole. The debate in the Group illustrated the usefulness of analyses in UNCTAD of issues specific to developing economies and countries in transition with a view to identifying areas where technical assistance was required. Developing countries were also confronted with the task of preparing for an in-built agenda of future negotiations within the framework of several WTO Agreements, and this in-built agenda should also be a priority in considering recommendations for future work.

B. Enhancement of the understanding of the implications of the new rules deriving from the Uruguay Round Agreements and their follow-up, and identification of where and how developing countries and economies in transition concerned could be assisted to: (a) make use of the special clauses of the Final Act providing differential and more favourable treatment; and (b) implement and benefit from the commitments undertaken

(Agenda item 2)

7. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

"An analysis of the implications of the new rules deriving from the Uruguay Round agreements on safeguards, anti-dumping, and subsidies and countervailing measures - report by the UNCTAD secretariat" (TD/B/WG.8/6);

"Seminar on Contingency Protection Agreements, 4 December 1995 - report by the UNCTAD secretariat" (TD/B/WG.8/CRP.1);

"UNCTAD Workshop on Identification of Trading Opportunities for Asia-Pacific Developing Countries and Adjustment of Export Strategies to the Post-Uruguay Round Trading Context - conclusions and recommendations" (TD/B/WG.8/CRP.2).

8. The Chief of the Systemic Issues Section of the International Trade Division, introducing the item, said that the tightening of the multilateral rules governing resort to "contingency" trade measures, particularly to prevent their abuse as a means of harassment of trade, had been one of the main objectives of the developing countries during the Uruguay Round. However, it had to be acknowledged that the trading opportunities resulting from the Uruguay Round Agreements were pursued in the context of the domestic legislation of the importing country, and an understanding of such legislation was therefore needed for developing countries and economies in transition. The implementation of the Uruguay Round Agreements was still at an early stage and the secretariat's study (TD/B/WG.8/6), based on an analysis of the legislation of three major trading countries, was only illustrative of opportunities and possible problems. The overall conclusion in the report was that the Uruguay Round Agreements in these areas had gone a long way to improving trading opportunities by providing greater security in market access, particularly for developing countries. The system had become more predictable and transparent, and this had to a large extent been reflected in implementing legislation. He stressed the importance of the Agreement on Safeguards in defining serious injury in a more precise way, and in particular prohibiting voluntary export restraints and other grey-area measures. On anti-dumping, the major result had been to introduce more precise formulations and to improve predictability and security of access. The Agreement on Subsidies and Countervailing Measures had introduced a definition of subsidy, created a category of subsidies which were exempt from countervailing duties and applied a *de minimis* rule, providing flexibility for the developing countries and recognizing the importance of subsidies in the process of transition to a market economy. These agreements would in general result in increased harmonization in the legislation of WTO members. Developing countries introducing anti-dumping, safeguard and countervailing legislation along the lines pursued by developed countries were faced with the challenge of incorporating these Agreements into the framework of their own legal systems, and this had given rise to problems with respect to strengthening of institutions, the development of new expertise and financial resources. The percentage of cases with restrictive outcomes was usually higher for imports from developing countries than from developed, and this reflected difficulties the developing countries had in effectively defending their interests within this complex set of agreements and implementing legislation. In conclusion, he

emphasized the need for technical assistance and noted the specific problems that non-WTO members were facing.

9. The representative of the Islamic Republic of Iran, speaking on behalf of the Asian Group, said that the Asian Ministers, in their declaration following their meeting in Amman, had called for implementation of the Uruguay Round Agreements in letter and spirit. The changing structure of international trade, together with the increasing development gap between developed and developing countries, made transition efforts costlier and the question of market competition more of an enigma. The Amman Declaration had conceived a substantive role for UNCTAD in the areas of trade and development policies, and it was only appropriate that the Working Group should review the application of various provisions of the WTO Agreements on safeguards, anti-dumping and countervailing measures, subsidies, etc. It was becoming increasingly difficult for developing countries to protect their vital productive sectors, since they lacked resources and the capacity to gain access to information. The complex procedures and practices involved in the application of measures by the industrial countries necessitated further scrutiny through an efficient and flexible mechanism within the framework of multilateral negotiations. The spirit of the Uruguay Round Agreements, namely equality, transparency and non-discrimination, would be at stake if no concrete measures were taken to protect the developing countries against the adverse effects of the externalities which were beyond the scope of WTO provisions. UNCTAD had a definite role to play in the review and assessment of these provisions, with the full participation of developing countries.

10. Since the number of non-WTO member countries was greatest in Asia, his group was obliged to point out that non-WTO members were liable to face stricter obligations in a more complex set of trade-offs.

11. The Uruguay Round Agreements had crowned an era of consensus-building, but the dynamism of the global economy and recently emerging modes of behaviour meant that dynamism and flexibility would be required in dealing with WTO provisions. Thus, complex situations and restrictions which went beyond the WTO Agreements could be an ongoing topic for UNCTAD and one which added more substance to its role in the current context.

12. Finally, UNCTAD's technical cooperation should not be limited merely to enhancing understanding of the Uruguay Round. It should also involve improvement of policy-making and institutional capacity-building, thus helping to improve market access and competition in a stable and transparent environment.

13. The representative of the European Community welcomed the fact that, in document TD/B/WG.8/6, the UNCTAD secretariat had taken the view that the rule-making agreements of the Uruguay Round improved trading opportunities for developing countries. However, the documentation prepared by the UNCTAD secretariat gave rise to a number of problems. First, it was to be regretted that the secretariat's report on the seminar on "contingency protection" agreements (TD/B/WG.8/CPR.1) had been issued so late. Moreover, while the very detailed analysis of the agreements on safeguards, subsidies and countervailing measures and anti-dumping practices was of interest, the usefulness of some aspects of the analysis for the work of the Ad Hoc Working Group was open to question, in particular the issue of the domestic legislation of major trading partners. The yardstick for determining the international legality of any concrete measure taken against imports was not that country's national legislation, but the multilateral agreement covering the matter, and both the concrete measure and the national legislation had to be consistent with the provisions of the agreement. It must therefore be asked whether a knowledge of the details of national legislation would help developing countries seize the trading opportunities available to them.

14. In its report TD/B/WG.8/6, the secretariat questioned the assumption that production was an activity that took place within national frontiers, and the question therefore arose as to what extent the concept of trade among nations remained a valid tool in dealing with today's realities. With regard to dumping, the concept of dumping was not based on a comparison between prices offered by producers from different countries, but on a comparison between prices offered by the same producer on different markets. In addition, the reported increase in the application of trade contingency measures was not sufficiently substantiated by the data in the tables presented, as the latter provided data for one year only. On the other hand, there was no correlation between the market share of a given country and the number of trade defense measures taken against imports from that country. It would have been useful if the document had also included an examination of the benefits developing countries might reap from their own commitments. Concerning the implementation of anti-dumping and countervailing measures by developing countries in particular, while it was true that these measures required substantial financial and human resources to carry them out, it was also true that more developed developing countries had no problems at all in defending their trade interests. Finally, the description of the situation of non-WTO members in the secretariat's documentation was open to question.

15. The representative of China said that the new rules on safeguards, anti-dumping, subsidies and countervailing measures deriving from the Uruguay Round

Agreements to a certain extent improved the export environment of developing countries, provided better conditions of market access for developing countries, and increased predictability and transparency. Rules had been clarified and tightened, particularly with regard to the duration of "contingency protection measures", *de minimis*, reviews, sunset provisions and the application of the "injury test" to WTO members in countervailing duty investigations. While the Uruguay Round Agreements thus represented important contributions to the promotion of the world economy and trade, there nevertheless remained areas of concern to developing countries. In some cases, certain provisions might offset the benefits, for instance provisions on the "cross-cumulation" of injury of subsidized and dumped imports and the "specificity" of subsidies. He called on the major developed countries to abstain from resorting to protectionist measures in the guise of anti-dumping and countervailing measures.

16. Many developing countries continued to be treated as "non-market economies", despite the progress made in their economic and trade reforms, and a high anti-dumping margin was imposed on products from these countries as a result of so-called "surrogate" country provisions in their national legislation. Although non-WTO members might not necessarily benefit from the improved rules and might continue to face trade restrictions based on discriminatory criteria, he hoped that the countries concerned would apply these new rules on a *de facto* basis to those countries that were in the process of acceding to the WTO.

17. In view of the increasing globalization and liberalization of the world economy and trade and the increase in trade disputes, he proposed that the international community should initiate a study on the relationship between competition policy and "contingency protection laws". On technical cooperation, China agreed with the opinions expressed in document TD/B/WG.8/7 and expected the developed countries to provide financial support for multilateral and bilateral cooperation designed to promote mutual understanding between countries.

18. The representative of Bangladesh said that the Uruguay Round Agreements on Safeguards, Anti-dumping and Countervailing Measures were described as having provided more predictable and transparent rules for the international trading system and helping to avoid trade tensions and disputes. However, the operational aspects of these rules were not easy to tackle, and the transitional costs involved in making the necessary adjustments would be quite substantial. Small and medium-sized firms in developing countries would face difficulties in defending their interests because of the complexities of the system and the cost of investigation proceedings. Lack of information and expertise and unfamiliarity with the procedures of importing countries had put many developing countries at a disadvantage without regard to conducting a reasonable effective



defence. As shown in the secretariat's documentation, anti-dumping procedures in developed countries were extremely expensive, especially for LDCs, since substantial financial and human resources were required to carry out detailed investigations.

19. Technical assistance alone might not be able to solve the problems of the poorer countries, but their overall situation needed to be strengthened. The thrust of the paper on technical assistance was on educating the developing countries to comply with the new trade regime, but priority should be given to capacity-building, product development and marketing and diversification, so as to help these countries increase their share of world trade. Developing countries' experts should be utilized in technical assistance programmes to make them more relevant and cost-effective, and the success of technical assistance programmes should be judged on whether they helped achieve a greater share of world market for the countries concerned.

20. The implementation of the Uruguay Round Agreements was at an early stage, and further studies should be conducted by independent experts to examine the operation of anti-dumping, countervailing and safeguard measures. A comprehensive examination should also be made of the impact of all Uruguay Round Agreements.

21. The representative of Cuba said that the work of the Group would help developing countries acquire a better knowledge of the possibilities of taking the fullest advantage of the provisions of the very complex agreements resulting from the Uruguay Round, and even gear them towards future negotiations. The implementation of the Uruguay Round Agreements in developing countries required a national infrastructure which in most of them had been inexistent prior to the launching of the WTO, hence the importance of support and assistance from the international community. Furthermore, in some instances the implementation of these Agreements required new legislation, and in others changes had to be made in existing legislation to make it compatible with the new rules. This implied that developing countries would first have to deal with domestic action before they could envisage taking advantage of the possible trading opportunities deriving from the agreements. In this regard, developing countries would thus be in a position to participate fully in the international trading system, and hence to take advantage of the emerging trading opportunities, if they received all the support they needed to make progress in their domestic procedures.

22. With respect to technical assistance, given the new and stricter rules of the post-Uruguay Round trading system and the almost insuperable problems created for developing countries by the complexity of these agreements, training and

technical assistance provided by the competent organizations, in particular UNCTAD, were of the utmost importance. The present needs for technical cooperation in the area of international trade were vast and the resources limited, and she therefore urged international organisations having a similar mandate to join their professional capacities in order to foster a wide programme of technical assistance.

23. Her country had an unjust embargo imposed on it by one of the members of the WTO. This would have the effect of preventing her country from taking full advantage of the trading opportunities afforded by all the members of the organization.

24. Finally, she expressed the hope that UNCTAD IX would approve a concrete mandate in favour of the developing countries in particular. To that end, delegations at the present session had an obligation to prepare a report which would enable Ministers to understand the important tasks carried out and to plan for the future.

25. The representative of Zimbabwe welcomed the secretariat's analysis and discussion of national legislation enacted in implementation of the Uruguay Round Agreements, particularly those that dealt with trade defence instruments. Firstly, the WTO Agreements were contractual in nature and were to be implemented domestically, and thus countries had to know how the domestic legislation would affect their imports. Secondly, the analysis would make it possible to see if importing countries were complying with disciplines. Thirdly, if it became necessary to pursue any dispute settlement procedure, an understanding of national legislation would be necessary. With respect to non-WTO members, there was no country that did not want to get involved in the processes of globalization in the world economy. Finally, while he fully agreed with the importance of studying the advantages to be derived by developing countries from the multilateral trade agreements, he underscored the importance of studying any side-effects that might occur in the process of structural adjustment.

C. Identification of areas in which technical  
cooperation should be strengthened

(Agenda item 3)

26. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

"The new international trading context: identification of areas for strengthened technical cooperation - report by the UNCTAD secretariat" (TD/B/WG.8/7);

"Report of the International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization" (UNCTAD IX/Misc.1).

27. The Chief of Systemic Issues Section, International Trade Division, introducing the item, said that, when looking at technical cooperation requirements, it was important to take into account the scope and terms of reference of the Working Group. Specific areas for technical cooperation included: (a) strengthening national policy-making capacities with regard to market access in goods and services, taking account of the implications of new multilateral rules; (b) institutional capacity-building and human resource development to support both the implementation of the various Uruguay Round Agreements and effective participation of countries in defending their interests and rights and making use of the opportunities presented; (c) training in a number of trade-related areas, including the use of UNCTAD-based training programmes such as "TRAINFORTRADE"; (d) more effective management of trade and trade-related information and data; (e) more effective participation in multilateral and regional frameworks and negotiating processes such as accession to the WTO, in current and future negotiations and in new and emerging issues.

28. With regard to the delivery of technical cooperation and its funding, specific emphasis had been placed in the secretariat's report on the complementarities among various organizations active in the area of trade. In this context, the arrangement agreed upon between the Secretary-General of UNCTAD and the Director-General of the WTO also covered joint activities in the area of technical cooperation.

29. The representative of Switzerland said that the secretariat's report on technical cooperation reflected the scope and magnitude of technical cooperation requirements in the field of trade policy and trade activities. It highlighted the need for an integrated and coordinated approach in designing technical cooperation programmes and implementing specific projects.

30. Concerning the International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization, hosted by Switzerland, his authorities were satisfied that the results and objectives of the Seminar had been fulfilled, namely: to assess the requirements for trade-related technical assistance against the backdrop of the new economic and trading environment; to assess present institutional sources of technical assistance; and to examine ways

to improve the adequacy between technical cooperation demand and supply, as well as to assess how to enhance the effectiveness and efficiency of trade-related technical cooperation programmes.

31. With regard to the Seminar's conclusions, that there was a need to define and delimit trade-related technical cooperation. It did not encompass assistance to implement economic reforms, private sector development or investment promotion. It did encompass assistance to strengthen recipient country capacity to formulate and negotiate commercial policy and to improve the ability of the private sector and enhance market access.

32. Switzerland had been reviewing its trade-related technical cooperation policy in the light of the new trading environment, and it intended to increase its efforts and support under three programmes, namely institutional and human resources capacity-building for trade policy formulation and implementation; improving the efficiency of trade operations from trade-related services to marketing and selling in global markets; and promoting imports to Switzerland. To implement these programmes efficiently, Switzerland intended to adopt an integrated and comprehensive approach at the country level. UNCTAD, WTO and ITC certainly had a key role to play in this field as leading agencies for trade-related technical cooperation. Other international and regional agencies would be included as appropriate. Switzerland was considering ways of promoting this approach in the preparatory process for UNCTAD IX.

33. The representative of Colombia, speaking on behalf of the Latin American and Caribbean Group, said that, for the countries in the region, contingency trade agreements were having an increasing impact on their exports. For developing countries to take advantage of trading opportunities deriving from clearer and stricter disciplines required continuous efforts, within the framework of the domestic legislation of major trading partners. Moreover, the implementation of the Uruguay Round Agreements involved not only strengthening institutions but also improving training and skills. It was expected that the transparency and greater predictability in the new rules resulting from these agreements would improve trading opportunities for developing countries.

34. Her Group had welcomed the holding of a specialized seminar on these issues on 4 December 1995, and the Ad Hoc Working Group should concentrate on considering the recommendations to be submitted to the Trade and Development Board as to the future work of UNCTAD on this issue. In this connection, she recalled that the Caracas Declaration, adopted by Latin American and Caribbean Ministers in January 1996, recognized the essential role of UNCTAD in the area

of trade and development and proposed the establishment of a Trade Commission.

35. The opportunities deriving from the Uruguay Round multilateral trade agreements could only be fully exploited if the major trading countries observed and applied them fully in letter and spirit. While useful, the two sessions of the Working Group had only served to initiate the necessary analysis, which required further work in UNCTAD. The controversy that had marked the Group's discussions only served to highlight the importance of the issues at stake. In spite of seven years of complex negotiations, it would seem that a process similar to that preceding the Uruguay Round was under way, as the need for multilateral rules for the new trade issues was being argued. It was probable that another Round of negotiations under the aegis of the WTO would take place before the year 2000, and the ground should be carefully prepared and developing countries should be assisted in this process.

36. Part of the debate at UNCTAD IX would be devoted to the implications of globalization for the international trading system, and the important work which UNCTAD could undertake with respect to trading opportunities included: (i) continuing the process of identifying the trading opportunities achieved in the Uruguay Round to ensure their maximum benefit to countries in the region; (ii) identifying and defining areas where future multilateral action was required to improve such opportunities, including in the context of the built-in agenda of the multilateral trade agreements; (iii) detecting threats to existing or future trading opportunities and devising remedial action. These three key tasks for UNCTAD should be included in the Working Group's recommendations to the Trade and Development Board. These recommendations should also take into account General Assembly resolution 50/95 in which UNCTAD was invited to transmit its assessment on challenges and opportunities arising from the Uruguay Round agreements from a development perspective to the Ministerial Conference of the WTO. To ensure that the benefits of the multilateral trade system promoted sustained economic growth and sustainable development, the resolution had also emphasized the need for continued review and evaluation of the implementation of the Uruguay Round agreements.

37. UNCTAD's technical assistance programmes should be more focused to assist developing countries to deal directly with the challenges they faced. In this regard, her Group subscribed to the ideas contained in the report of the International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization, in particular that the organizations dealing with these issues should combine their efforts, and stressed the complementarity of the work carried out by UNCTAD and the WTO. UNCTAD should continue with its important tasks in analysing trends in international trade from a development

perspective, identifying possible areas for future trade negotiations, serving as the forum for debate and consensus-building on these issues, and supporting the developing countries in these negotiations. Her Group was pleased to note that the Secretary-General of UNCTAD and the Director-General of WTO had agreed to enhance cooperation between the two organizations, and hoped that this would definitively resolve the issue of duplication.

38. The representative of the Russian Federation commended the secretariat's report on technical cooperation and recalled General Assembly resolution 50/95, which contained several substantive provisions related to the expansion of UNCTAD's mandates, including technical cooperation. He broadly supported the recommendations and conclusions of the secretariat's report, particularly the recommendations on UNCTAD's technical cooperation activities aimed at supporting countries acceding to the WTO. UNCTAD's technical cooperation in this area was efficient and result-oriented.

39. In the context of UNCTAD IX, new and emerging issues on the international trade agenda (e.g. trade and environment, trade and investment, trade and competition policy) should be considered in UNCTAD, *inter alia* in terms of assisting interested countries in preparing for possible negotiations on these issues in the WTO and elsewhere, and also with a view to contributing to international consensus-building. These new issues should become important aspects of UNCTAD's future work. He supported the secretariat's recommendation to focus trade-related technical cooperation on country-specific needs, though regional and more general approaches were also pertinent in appropriate cases, for example for countries with similar interests.

40. While there was a clear trend towards a contraction of financial resources for technical cooperation, he nevertheless stressed his country's position that UNDP priorities should include trade policies and other trade-related issues within UNCTAD's competence. As to further financing of trade-related technical cooperation in UNCTAD, a number of proposals had emerged from the International Seminar on Technical Cooperation for Trade and Development in the Face of Globalization. In particular, attention could be given to the idea of establishing an informal and flexible coordinative mechanism for consultations on trade-related technical cooperation with the participation of recipient Governments, donor agencies and executing organizations (i.e. UNCTAD, WTO and ITC) at an appropriate working level. The basic objective of such a mechanism would be to coordinate technical cooperation on the basis of the priorities of recipient Governments and the requirements of donor agencies. This would also help to eliminate duplication and overlap in these activities.

41. Finally, he commended the results achieved during the recent meeting between the Secretary-General of UNCTAD and the Director-General of the WTO as a promising prelude for future intensive cooperation between these two organizations.

42. The representative of Japan said that he basically shared the views expressed in the conclusions and recommendations of the secretariat's report on technical cooperation (TD/B/WG.8/7). He emphasized in particular the importance of those technical cooperation activities which facilitated the development of human resources and the promotion of transfer of technology in the developing countries in the context of their implementation of the Uruguay Round results.

43. He pointed out the importance of UNCTAD in providing technical cooperation to support developing countries in their cooperation with other organizations and agreed that technical cooperation should be further elaborated after UNCTAD IX.

44. Japan had provided technical cooperation to numerous developing countries in a wide range of fields. It was implemented flexibly and promptly in response to the needs of developing countries. Japan was steadily expanding the scale of its technical cooperation, and the amount provided had risen to US\$ 2.1 billion in 1992 and US\$ 2.6 billion in 1993.

45. As to technical cooperation in the field of trade and development, Japan attached importance to the role of trade in the development process and had extended cooperation such as the dispatch of experts, the acceptance of trainees and project-type cooperation in this field. For the specific purpose of the implementation of Uruguay Round results by the developing countries, Japan had contributed to the technical cooperation activities of the WTO since 1993, and it would try to continue this cooperation in years to come.

46. The representative of Hungary emphasized that there existed major differences among economies in transition in their level of integration into the world economy, as well as among their specific needs in this context, and that was why the terms of reference of the Ad Hoc Working Group referred to "countries in transition concerned". Unfortunately, this had not been reflected in the conclusions and recommendations of the secretariat, and he requested that the proper wording of the terms of reference be followed in the final outcome of the Working Group.

47. He also recalled that the agreed annotations to the provisional agenda for UNCTAD IX specified the country coverage as "interested economies in transition"

in paragraphs dealing with the role of UNCTAD in the context of the integration of countries into the world economy and the international trading system. He expressed the hope that this sophisticated approach would be followed in the preparatory process for UNCTAD IX.

48. The representative of Bangladesh said that the secretariat's paper on technical assistance was general in nature, and there was no quantitative estimate of the assistance needed and to whom it should be provided. Seminars and workshops given to Geneva-based diplomats had limited value. What was needed was country-specific technical assistance delivered at the appropriate point. He also emphasized the importance of the cost effectiveness of modalities of delivery of technical assistance, which could only be ensured through untied assistance not linked to predefined projects designed by donors. The use of experts from developing countries would also promote cost effectiveness. Few developing countries were in a position to take loans from multilateral financial institutions for technical assistance, since that would further aggravate their debt burden. It would be important to evaluate technical cooperation with a view to ensuring that funds were used to serve the desired purposes, and UNCTAD IX should take a hard look at devising a meaningful programme based on the demand for assistance and not supply-bound. Finally, technical assistance could not solve the problems of developing countries and could not replace the more substantive support that the developing countries needed.

#### D. Organizational matters

##### 1. Opening of the session

49. The second session of the Ad Hoc Working Group on Trading Opportunities in the New International Trading Context was opened on 5 February 1996 at the Palais des Nations, Geneva, by the Chairman of the Group.

##### 2. Officers

50. The officers of the Ad Hoc Working Group at its second session were as elected at its first session, namely:

Chairman: Mr. Seung Ho (Republic of Korea)

Vice-Chairmen: Mr. M. Zewdie Michael (Ethiopia)  
Ms. V. Fonseca (Venezuela)  
Mr. W. Prodjowarsito (Indonesia)



Mrs. J. Wright (United Kingdom)  
Mr. S. Mikhnevidtsh (Belarus)

Rapporteur: Mr. M. Nishioka (Japan)

### **3. Adoption of the agenda and organization of work**

(Agenda item 1)

51. At the opening plenary meeting of its second session, the Ad Hoc Working Group adopted the provisional agenda for the session (TD/B/WG.8/5). The agenda was thus as follows:

1. Adoption of the agenda and organization of work
2. Enhancement of the understanding of the implications of the new rules deriving from the Uruguay Round agreements and their follow-up, and identification of where and how developing countries and economies in transition concerned could be assisted to:
  - (a) Make use of the special clauses of the Final Act providing differential and more favourable treatment; and
  - (b) Implement and benefit from the commitments undertaken
3. Identification of areas in which technical cooperation should be strengthened
4. Other business
5. Adoption of the final report of the Ad Hoc Working Group to the Trade and Development Board.

### **4. Other business**

(Agenda item 4)

[To be completed as appropriate]

5. Adoption of the final report of the Ad Hoc Working Group  
to the Trade and Development Board

(Agenda item 5)

[To be completed]