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in the New International Trading Context
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Agenda items 2 & 3

RECOMMENDATIONS*/

A. Recommendations at the national and international level

1. With a view to allowing all countries, particularly the developing countries, to derive all benefits from improved trading opportunities, all countries should implement fully their Uruguay Round commitments in letter and spirit. Market-access-related commitments with respect to products and services of export interest to developing countries and economies in transition concerned should be implemented, as soon as possible, in particular in agriculture and textiles and clothing. As provided in the Agreement on Textiles and Clothing, resort to the transitional safeguard actions against small suppliers and LDCs should be kept to a minimum.

2. Developing countries and economies in transition concerned seeking accession to the WTO, which are in the early stages of their integration into the international trading system, should be given every opportunity to achieve accession on balanced terms consistent with their trade, financial and development needs. In particular, demands on those countries should not go beyond the provisions of the WTO Agreements and should not include considerations not covered by these Agreements. The "non-market-economy" provisions of trade legislation should be phased out as these countries move to a market economy.

*/ As adopted at the Ad Hoc Working Group's closing plenary meeting on 8 February 1996.

3. The provisions contained in the Marrakesh Declaration and Decisions on Measures in Favour of Least Developed Countries and on Measures Concerning the Possible Negative Effects of the Reform Programme on LDCs and Net Food-Importing Developing Countries should be implemented as early as possible. The provision of flexible application of rules set out in the various agreements and instruments and the transitional provisions of the Uruguay Round for LDCs should be fully implemented.

4. In view of the difficulty developing countries, particularly the LDCs, are facing in adjusting their economies to shifts in market opportunities and to increased competition, consideration should be given to providing adequate international assistance for export capacity-building, enhancement of competitiveness, product diversification, export market diversification, and relief of short-term difficulties in financing imports of basic foodstuffs.

5. Pursuit of the built-in future work programme contained in the various Uruguay Round Agreements should take fully into account the interests of developing countries. The assessment and possible revision of many of the multilateral trade agreements, as provided in the texts of the agreements themselves, should take account of the impact of globalization and the need to ensure that its contribution to the development process is maximized. In this context, the export interests of developing countries should receive special consideration in the future.

6. There is an urgent need to continue trade liberalization, including liberalization through a substantial reduction of tariff and other barriers, in particular non-tariff barriers, to trade and the elimination of discriminatory and protectionist practices in international trade relations, and to improve access to the markets of all countries, in particular those of the developed countries, in order to generate sustained economic growth and sustainable development. Additional market access for developing countries, in particular the least developed countries, could be achieved through improvements in GSP schemes.

7. Assistance is required in order to improve the understanding, by developing countries and economies in transition concerned, of the domestic legislation of importing countries implementing the Agreements on Safeguards, Anti-Dumping, and Subsidies and Countervailing Measures. Ways and means for reducing the costs of procedures should be explored, taking into account the special situation of developing countries. In the application of measures taken under any of these Agreements, developed countries should give special regard to the special situation of developing countries. Specific interests of economies in transition concerned should be taken into account. Possibilities

for constructive remedies, as provided for by the Agreement on Anti-Dumping, should be explored before applying anti-dumping measures where they would affect the essential interests of developing country Members.

8. Assistance from the international community is required by many developing countries which have only recently introduced, or are in the process of introducing, legislation in these areas and are faced with the challenge of incorporating these Agreements into the framework of their own legal systems, particularly with respect to the development of new expertise and the strengthening of institutions.

B. Areas for future work

9. It was noted that the implications of globalization for the international trading system will be part of the debate at UNCTAD IX. A deeper analysis of the implications of globalization and liberalization could consider the extent to which the concepts currently governing trade among nations are still valid tools to deal with today's realities. In this context, it was recalled that General Assembly resolution 50/95 of 20 December 1995 invited UNCTAD, at its ninth session, to transmit its assessment on challenges and opportunities arising from the Uruguay Round Agreements from a development perspective to the first Ministerial Conference of the World Trade Organization.

10. UNCTAD should continue to analyze the impact of the implementation of the Uruguay Round Agreements, and follow closely developments in the multilateral trading system, with a view to providing policy-oriented recommendations from a development perspective. This should include an identification and assessment of the new trading opportunities arising, inter alia, from the implementation of the relevant Agreements affecting trade in goods and services to assist developing countries and economies in transition concerned to take full advantage of them; and analysis of the problems of implementation in the developing countries, taking into account the relevant provisions of WTO agreements regarding special and differential treatment.

11. In particular, UNCTAD should continue to analyze trading opportunities presented by tariff reductions, by elimination of export subsidies and non-tariff measures, and by the operation of the mechanisms provided by the multilateral trade agreements such as the Agreements on Agriculture and Textiles and Clothing, so as to enable developing countries and interested countries in transition to benefit fully from such opportunities. In doing so, close attention should be paid to the practical trading opportunities arising from the implementation of the Agreements at every stage.

12. UNCTAD should continue to analyze the implications of the new multilateral rules and disciplines embodied in the Uruguay Round Agreements for the scope of government policy action in developing countries. Taking into account the provisions on special and differential treatment for developing countries contained in the various Uruguay Round Agreements, this analysis should help to identify effective national and international measures, incentives and policies to foster export-oriented growth and industrial development that are consistent with the new multilateral rules. Also, the analysis should identify how developing countries could best utilize the various transitional periods available to them to adjust their policies and strategies - and how they could be assisted - in order to be able to comply with their multilateral obligations. The analyses would also identify elements of future multilateral initiatives aimed at increasing the trading opportunities of developing countries. Further studies should be conducted to analyze the economic impact of the Uruguay Round Agreements relating to anti-dumping, countervailing and safeguard measures.

13. UNCTAD should also continue to analyze issues related to achieving the full integration of economies in transition, as well as other countries, into the world economy, in particular through improved market access for their exports and elimination of any discriminatory tariff and non-tariff measures and further liberalization of their trade regimes, including vis-à-vis developing countries, and recognizes in this respect the importance of open regional economic integration of interested economies in transition among themselves, as well as with developed and/or developing countries, in creating new possibilities for expanding trade and investment.

14. On the basis of the work conducted so far in this Group, UNCTAD should concentrate on the examination of the real challenges facing the developing countries with respect to trading opportunities, which are threefold: first, to continue the process of identifying the trading opportunities achieved in the Uruguay Round to ensure their maximum benefit to developing countries; second, to identify where future multilateral action is necessary to improve such opportunities, including in the context of the built-in agenda of the multilateral trade agreements; and third, to foresee the challenges of key issues of trade and development, including an early warning perspective, in a rapidly changing world.

15. The basic focus of technical cooperation activities, and in particular those of UNCTAD, should be to assist developing countries and economies in transition concerned in meeting the challenges with respect to trading opportunities and in identifying the main issues and policies concerning their integration into the international trading system in terms that would increase their economic benefits and equip them with better capacities to compete in

international trade, while safeguarding their vital domestic developmental priorities and concerns. UNCTAD technical cooperation should help them to improve their policy-making and institutional capacity-building, while also aiming at strengthening their export supply capabilities and supporting their full integration into the international trading system.

16. Donors, in particular UNDP, are urged to consider providing increased financial support for UNCTAD technical assistance to developing countries, particularly the least developed among them, and countries in transition concerned, in order to allow them to take full advantage of new trading opportunities. Technical assistance should be demand-driven and not supply-based. Technical assistance also requires improved coordination of all relevant international organizations. In this connection, special attention should be paid to the recommendations contained in document TD/B/WG.8/7 and its annex.

17. Recent efforts between UNCTAD, WTO and ITC to strengthen their cooperation should be pursued and intensified. In this respect, the agreement between the Secretary-General of UNCTAD and the Director-General of WTO was welcomed. These initiatives should also be extended to other relevant international organizations in order to make best possible use of existing and potential synergies among them.