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**United Nations  
Conference  
on Trade and  
Development**

Distr.  
GENERAL

TD/B/COM.1/5  
13 November 1996

ENGLISH

ORIGINAL - FRENCH

TRADE AND DEVELOPMENT BOARD

Commission on Trade in Goods and Services,  
and Commodities  
First session (first part)  
Geneva, 6 November 1996  
Agenda item 3

SUMMARY BY THE CHAIRMAN 1/

In spite of the difficulty involved in conducting an exhaustive assessment of the impact of the application of the Uruguay round agreements only two years after the conclusion of the Marrakesh Agreements, the Commission on Trade in Goods and Services, and Commodities has striven, on the basis of document TD/B/COM.1/2, to identify the main lines of action open to UNCTAD in this area, in accordance with the mandate entrusted to the Commission at the ninth session of the Conference. Several delegations pointed out that the first meeting inaugurated the new cycle of work of the subsidiary bodies set up at Midrand.

1. All delegations recognized the need to carry out a systematic analysis of the consequences of the Marrakesh Agreements as far as development was concerned. Some delegations wished to make this a permanent feature of the Commission's activities. All delegations also considered it necessary to help the developing countries, and particularly the LDCs, to discharge their obligations and exercise their rights in such a way as to draw the greatest benefit from the possibilities opened up by those agreements for their development strategies.

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1/ At its second plenary meeting, held on 8 November 1996, the Commission took note of the summary presented by the Chairman in his personal capacity and decided to include it in the Commission's report on its first session.

GE.96-52111 (E)

2. On the basis of an initial analysis of the application of the agreements, some delegations identified certain adverse effects on development. Several emphasized the actual shortcomings of the agreements:

the lack of tariff cuts for 22 per cent of the sensitive imports for the developing countries, and the continued existence of tariff peaks, if not tariff escalation. They also found the application of the agreements to be unsatisfactory: protectionist measures were maintained in the developed countries, and assistance to the developing countries was inadequate. The same delegations highlighted the continuation of an international environment which was hostile to development, in the shape of the debt burden, the shrinking of official development assistance, stagnating investment flows and a deflationary policy pursued by the developed countries.

3. Other delegations mentioned such negative effects as the risk of divergent interpretations of the provisions of the Agreements, the existence of powerful protection measures in the developing countries too, and the erosion of preferential margins.

4. The discussions brought out positive effects: together with the expected benefits of the liberalization of trade and greater participation by the developing countries in the multilateral trade system, trade on the part of the developing countries and among developing countries themselves was growing. Furthermore, some delegations remained of the view that the developing countries continued to benefit from systems of preferences, some of which had been improved.

5. Many delegations, underlining the additional constraints imposed on the developing countries by the application of the obligations arising from the Agreements, concluded that there was a need to increase technical assistance to the developing countries, and particularly the LDCs, in the following areas:

(a) The strengthening of national capabilities in the developing countries, in order to help them to prepare an appropriate legal framework, while implementing human resources development programmes, with a view to joining the World Trade Organization (WTO);

(b) Support for the productive sector, with the aim of developing supply capabilities and promoting diversification of production in the developing countries, and particularly output of commodities. Some developing countries, and more specifically the LDCs, had not made substantial progress in diversifying their exports;

(c) Increased assistance in the sectors of trade information and efficiency.

6. All delegations recommended that the development dimension should serve more explicitly as a guide in UNCTAD's analytical work as well as its

technical assistance activities. In keeping with the provisions of the Final Document of UNCTAD IX, that orientation should apply first and foremost to the LDCs.

7. Delegations expressed interest in efforts by the secretariat to prepare a sample of empirical studies carried out by country, by sector, by product or in terms of a combination of those criteria.

8. In accordance with its mandate, the Commission adopted agreed conclusions on item 3 of its agenda. 2/

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2/ See TD/B/COM.1/4.