

# FIRST COMMITTEE

## 55th meeting

Tuesday, 9 March 1982, at 3.25 p.m.

*President:* Mr. P. B. ENGO (United Republic of Cameroon)

### **Possible impact of the convention, with special reference to article 151, on developing countries which are producers and exporters of minerals to be extracted from the Area: preliminary report of the Secretary-General**

1. Mr. ZULETA (Special Representative of the Secretary-General) said that it had not been possible to present quantitative conclusions in the preliminary report (A/CONF.62/L.84). To draw any conclusions it was necessary to present the future situation, a major task, and then estimate how sea-bed production would affect that situation, a much more complex task. Data, analyses and prior agreement on an appropriate framework for such studies were all necessary, and in their absence the secretariat had wished to avoid venturing into an area of controversy and had accordingly avoided quantitative conclusions.

2. To reach such conclusions, assumptions would need to be agreed on with regard to: world nickel consumption over the latest 15 years for which data were available; future world nickel consumption; the year in which commercial production from the sea-bed would begin; the period for which calculations were required; the metals to be produced from nodules; the average metal content of the nodules—which would depend on the area mined; and the average processing recovery percentage, which, in turn, depended on the technology used and on economic and policy matters relating to the metals in question. With regard to analysis of the world metal markets, guidance would be needed on the supply of and demand for the metals, and on their prices and trade volumes, which depended on the organization of the markets, their degree of competitiveness and the responsiveness of suppliers and demanders to price and other fluctuations. In order to quantify the impact on developing countries, guidance would be needed on those factors characterizing the economies of developing countries on which the impact was to be measured, and the relationship of those factors to the projected situation in the mineral sector in developing countries.

3. The secretariat could certainly prepare an additional report provided that the First Committee offered guidance in those areas. The aim of the preliminary report was to shed some light on those aspects of the question which were not the subject of controversy.

4. Mr. BOUCHER (Argentina) said that his delegation would welcome a supplementary report analysing the impact of exploitation of the sea-bed on capital flows to mining in developing countries.

5. Mr. MWANANG'ONZE (Zambia) said that his delegation appreciated the constraints under which the secretariat had prepared the preliminary report. It would, however, be useful for a supplementary study to be carried out on the basis of guidelines authorized by the First Committee. Such a study

might be based on the following assumptions: that sea-bed production would begin in 1987; a projected cobalt output of 33,000 tons per annum for Zambia and Zaire from 1987 to 2007; projected market growth rates for cobalt of 2.3 per cent, 3.5 per cent or 4.5 per cent per annum; a metal recovery rate of 65 per cent and 85 per cent for each market growth rate; metal grades of 1.24 per cent for nickel, 0.2 per cent for cobalt, 1.01 per cent for copper and 27.5 per cent for manganese; the use of the production limitation formula to determine sea-bed production of cobalt from 1987 to 2007; use of the world consumption figures contained in document A/CONF.62/L.66,<sup>1</sup> applying annual growth rates of 3 per cent, 3.5 per cent and 4.5 per cent; use of the amendment proposed by Gabon, Zaire, Zambia and Zimbabwe in April 1981 for consumption figures; and tabulation of production and consumption estimates for cobalt and manganese for 1987—or the year in which production actually began—1991, 1995, 1999, 2003 and 2007. A study based on the above assumptions would be of great assistance to land-based producers.

6. Mr. MAPANGO ma KEMISHANGA (Zaire) said that his delegation supported the statements made by Argentina and Zambia.

7. Mr. CHINHENO (Zimbabwe) said that the report had not gone as far as his delegation had expected. A broad mandate had been given to the secretariat, which might have been expected to have reached a definitive conclusion. The supplementary study suggested by the representatives of Zambia and Argentina would be useful.

8. Mr. MAQUIERA (Chile) said that the conclusions contained in the preliminary study were conceptual rather than quantitative and differed from those reached by his Government. A more thorough study, on the lines suggested by Argentina and Zambia, was required. It was, however, important to separate the Argentinian and Zambian proposals, which were not directly related to each other.

9. Mr. MUELLER (Federal Republic of Germany) said that the problems created by sea-bed mining would affect some countries more than others. His delegation would welcome more time to consider what assumptions any additional study should be based on. Care also needed to be exercised in considering the question of future investments.

10. Mr. ARCHER (United Kingdom) said that insufficient time had been available to consider the report. It was, however, clear that any consideration of the effects of sea-bed mining on land-based producers would be based on estimates and assumptions rather than firm data, as the preliminary report itself suggested. It would be difficult, if not impossible

<sup>1</sup> See *Official Records of the Third United Nations Conference on the Law of the Sea*, vol. XV (United Nations publication, Sales No. E.83.V.4).

to reach agreement on the necessary assumptions. His delegation agreed with the conclusion of the preliminary report that it would be premature and a questionable expenditure of money to embark on a full-scale study until sufficiently accurate data were available.

11. Mr. MWANANG'ONZE (Zambia) said that the representative of the United Kingdom had apparently misunderstood the proposal made by his delegation. The full-scale study referred to in the preliminary report of the Secretary-General meant the definitive study that might become necessary to determine whether a particular developing country which was a land-based producer had had its economy injured by sea-bed mining. What his delegation was proposing was that in the current context and within the existing framework there should be a study highlighting the main features that could lead to problems for the economies of developing land-based producers.

12. Mr. DIOULY-OSSO (Gabon) said that his delegation supported the proposal made by the representative of Zambia. It might also be necessary for the study to deal with all four sea-bed metals—nickel, copper, cobalt and manganese.

13. Mr. JEANNEL (France) said that it had required a certain amount of daring and good will on the part of the secretariat to carry out the study contained in the preliminary report of the Secretary-General in view of the absence of specific and concrete data. In the circumstances, the secretariat had done all it could, and he commended the Executive Secretary of the Conference and his staff on their efforts.

14. Mr. ZULETA (Special Representative of the Secretary-General) said that the Argentine request for a projection of

the possible effects of sea-bed mining on the flow of investments in mining could be carried out by the secretariat if it were given clear and specific hypotheses.

15. The representative of Zambia had given specific hypotheses for a study on the possible impact of article 151 on metals other than nickel produced by developing land-based producers. However, there had been no reference to the recovery factor for metals other than cobalt. If it was agreed that that factor should also be included, the secretariat would be able to construct preliminary projections. However, it should be borne in mind that with a different set of hypotheses, the projections regarding the impact on the economies of specific countries would change. Finally, he wished to remind members of the Committee that under the rules of procedure, it was his duty to carry out tasks requested by the organs of the Conference and he would accordingly prepare the study requested on the basis of the assumptions outlined by the representative of Zambia if the Committee so decided.

16. The CHAIRMAN suggested that the Committee should endorse the requests made by the representative of Zambia so that the secretariat could submit as quickly as possible an addendum to the preliminary report based on the direct wishes of certain developing countries.

*It was so decided.*

*The meeting rose at 4.15 p.m.*

## 56th meeting

Monday, 29 March 1982, at 11.40 a.m.

*President: Mr. P. B. ENGO (United Republic of Cameroon)*

### Report of the co-ordinators of the working group of 21

1. The CHAIRMAN drew attention to the report of the co-ordinators of the working group of 21 (A/CONF/62/C.1/L.30). The working group had taken into consideration all proposals made, and he commended all members of the group on their serious and productive work. It was his hope that, in line with the programme of work of the Conference, the current meeting of the First Committee would be the last one.

2. If he heard no objection, he would take it that the Committee took note of the report of the co-ordinators.

*It was so decided.*

*The meeting rose at 11.45 a.m.*