

its sixteenth session a report on the implementation of the present resolution.

15th plenary meeting
24 May 1989

1989/26. Contribution of the United Nations Centre on Transnational Corporations to the implementation of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990

The Economic and Social Council,

Recalling General Assembly resolution S-13/2 of 1 June 1986 on the United Nations Programme of Action for African Economic Recovery and Development 1986-1990,

Recalling its resolution 1988/1 of 5 February 1988 and its decision 1988/161 of 27 July 1988,

Taking note of the report of the Secretary-General on investment of transnational corporations in Africa,⁴⁹ submitted to the General Assembly at its forty-third session in the context of the mid-term review of the implementation of the Programme of Action,

Bearing in mind the fact that transnational corporations can contribute to Africa's economic recovery and development through increased direct investment in productive sectors of African economies,

Recognizing that investment by transnational corporations in Africa would constitute a significant source of non-debt-creating resource flows to Africa,

Noting with concern that the share of investments made by transnational corporations in developing countries has been substantially declining in general and in Africa in particular,

1. Requests the Secretary-General to prepare a report containing, *inter alia*, recommendations on alternative strategies that would create a mutually beneficial framework and lead to concrete measures to encourage transnational corporations to respond positively to improvements in the investment climate in Africa and thereby promote economic growth and self-sustaining socio-economic development, in accordance with the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 and the Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, adopted in 1980,⁵⁰ especially in those sectors in which transnational corporations can make a major contribution through capital mobilization, technical expertise, transfer of technology and market access;

2. Invites the home countries of transnational corporations, as a complement to measures taken by developing countries themselves, to encourage investment by such corporations in all developing countries, particularly those in Africa, and, to that end, to consider providing, *inter alia*, financial and fiscal incentives, including tax-sparing;

3. Requests the Secretary-General to continue to mobilize resources for increased support of technical assistance requirements of African countries, at the national, subregional and regional levels, to enable them to increase their capacities to deal with transnational corporations, so as to take advantage of investment opportunities through transnational corporations;

⁴⁹A/43/500/Add.2.

⁵⁰A/S-11/14, annex 1.

4. Requests the Secretary-General to upgrade the report prepared for the mid-term review of the implementation of the Programme of Action,⁴⁹ to provide detailed and comprehensive coverage of foreign direct investment in Africa on a sector-by-sector basis and to report thereon to the Commission on Transnational Corporations at its sixteenth session.

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1989/27. Activities of transnational corporations in South Africa and Namibia

The Economic and Social Council,

Recalling its previous resolutions on the activities of transnational corporations in South Africa and Namibia, in particular resolution 1988/56 of 27 July 1988, in which it urged all transnational corporations to stop immediately all forms of collaboration with the racist minority régime in South Africa and called for specific actions by Member States and transnational corporations to end such collaboration,

Noting with grave concern the brutal perpetuation of the inhuman system of *apartheid* in South Africa and the continued denial of the civil and political rights of the majority of the population in that country,

Bearing in mind the fact that continued investments, trade, technological co-operation and other covert or overt activities by transnational corporations inside and outside South Africa provide sustenance to *apartheid*,

Noting the current efforts to implement Security Council resolution 435 (1978) of 29 September 1978 and attain the independence of Namibia,

Having examined the reports of the Secretary-General on the activities of transnational corporations in South Africa and Namibia and collaboration of such corporations with the racist minority régime in that area⁵¹ and on the responsibilities of home countries with respect to the transnational corporations operating in South Africa and Namibia in violation of the relevant resolutions and decisions of the United Nations,⁵²

1. Reiterates its abhorrence of *apartheid*, which is a crime against humanity, and condemns the South African régime for its perpetuation of *apartheid*, for its continued oppression of the majority of the people of South Africa and for its acts of military and economic destabilization against the neighbouring independent States;

2. Condemns those transnational corporations that continue to collaborate with the racist minority régime in South Africa in defiance of United Nations resolutions and international public opinion and, in many cases, in violation of measures adopted by their home countries;

3. Welcomes as an initial step the measures taken by some Governments to impose restrictions on investments, bank loans and other economic activities in South Africa, as well as the divestment by some transnational corporations of their equity investments in South Africa;

4. Deeply regrets that the measures taken so far fall short of the comprehensive and mandatory

⁵¹E/C.10/1989/8 and Corr.1.

⁵²E/C.10/1989/9.