



## General Assembly

Distr.  
LIMITED

A/C.2/44/L.52  
21 November 1989

ORIGINAL: ENGLISH

Forty-fourth session  
SECOND COMMITTEE  
Agenda item 82 (b)

### DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION; TRADE AND DEVELOPMENT

Malaysia\*: draft resolution

#### Commodities

The General Assembly,

Recalling its resolution 1995 (XIX) of 30 December 1964, as amended, on the establishment of the United Nations Conference on Trade and Development, Conference resolutions 93 (IV) of 30 May 1976 on the Integrated Programme for Commodities, 124 (V) of 3 June 1979, 155 (VI), 156 (VI) and 157 (VI) of 2 July 1983, the Final Act adopted by the Conference at its seventh session, and General Assembly resolution 43/188 of 20 December 1988,

Recognizing the need for better functioning of commodity markets and the desirability of stable and more predictable conditions in commodity trade, the avoidance of excessive price fluctuations and the search for long-term solutions to commodity problems,

Bearing in mind that commodity exports continue to play a key role in the economies of developing countries, in particular by making a crucial contribution to their export revenues, their capacity for servicing their debt, and the reactivation of their growth and development,

Expressing deep concern at the adverse situation faced by developing countries in the area of commodities,

\* On behalf of the States Members of the United Nations that are members of the Group of 77.

Bearing in mind that the developing countries, in particular the least developed and commodity-dependent developing countries, have felt the most severe impact of the commodity price situation,

Expressing its deep satisfaction that the Agreement Establishing the Common Fund for Commodities entered into force on 19 June 1989 and that the establishment of the Common Fund, in full compliance with the provisions of the Agreement, will provide a strong impetus towards a lasting solution to the commodity problems of developing countries,

1. Stresses the urgent need for appropriate and early action to address the present commodity situation at the global level;

2. Expresses its grave concern over the continuous long-term downward trend of commodity prices, which negatively affects the economic development of the developing countries and hinders their efforts to improve the living conditions of their peoples and to redress the increasing levels of poverty;

3. Stresses the need for developed countries to take measures designed to ensure greater participation of the developing countries in the processing, marketing and distribution, including transportation, of commodities, and, in this context, stresses the importance of market access for commodities from developing countries and of increased transparency in the markets of developed countries;

4. Notes with concern that a further decline in commodity prices and commodity export earnings, as well as the long-term deterioration in the terms of trade of developing countries, in particular the least developed and the commodity-dependent ones, compounded by a disproportionate and increasing debt-servicing burden, will hinder any prospect of sustained growth and development for those countries;

5. Expresses its conviction that remunerative prices for commodities would be conducive to the social and economic development of developing countries and would contribute to the international campaign against illicit production, trafficking and consumption of narcotic drugs;

6. Stresses the need to improve the functioning of commodity markets and achieve stable and predictable conditions in commodity trade and prices, and, in this respect, urges producer-consumer co-operation with a view, inter alia, to establishing or strengthening, as appropriate, international commodity agreements with economic provisions;

7. Invites multilateral financial institutions to establish special facilities for assistance to developing countries that experience a decline in their commodity export earnings, and to support viable diversification programmes;

8. Notes that a special session of the Trade and Development Board will be devoted to a compensatory financing facility for export-earning shortfalls, and recommends that the Board at that session give consideration to the establishment of a commodity-related compensatory financing facility;

9. Calls upon those countries that have ratified the Agreement Establishing the Common Fund for Commodities to begin immediate implementation, and appeals to all countries, particularly major exporters and consumers of commodities that have not yet ratified the Agreement, to do so as soon as possible, thereby contributing to the creation of stable conditions in world commodity markets, to the benefit of both producers and consumers;

10. Requests the Secretary-General of the United Nations Conference on Trade and Development to submit to the General Assembly at its forty-fifth session a report on world commodity trends and prospects, with particular reference to the situation of the commodity-dependent developing countries;

11. Decides to include the question of commodities in the provisional agenda of the forty-fifth session of the General Assembly.

-----