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SECOND COMMITTEE
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DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: TRADE AND DEVELOPMENT

Malaysia*: revised 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, and the Final Act adopted by the Conference at its seventh session,

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 as a whole, in particular by making a crucial contribution to their export revenues, investments, and the reactivation of their growth and development,

Expressing concern at the difficult 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 developing countries, in particular the least developed and commodity-dependent developing countries, have felt the most severe impact of the commodity price situation,

Welcoming the entry into force on 19 June 1989 of the Agreement Establishing the Common Fund for Commodities and expressing the hope that its establishment, in full compliance with the provisions of the Agreement, will provide a positive impetus towards long-term solutions to the commodity problems of developing countries,

1. Stresses the urgent need for appropriate and early action to address the present world situation in the area of commodities;

2. Expresses its concern about the negative effects of the long-term downward trend of commodity prices on the economic development of the developing countries which hinders their efforts to improve the living conditions of their peoples and to redress the increasing levels of poverty;

3. Stresses the need for all countries, according to their economic capacity and their weight in the world economy, international organizations, multilateral financial institutions and other relevant organizations, to undertake measures for the diversification of the commodity economy of developing countries and to ensure their greater participation 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 improved market transparency;

4. Recognizes that decisions on diversification are primarily the responsibility of developing countries; emphasizes, in that context, the need for continued implementation of their diversification programmes, bearing in mind, inter alia, the long-term evolution of market conditions and the linkage between diversification efforts and market access, and invites developed countries, international financial institutions and other relevant organizations to extend financial support to such diversification programmes;

5. 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, would hinder any prospect of sustained growth and development for those countries;

6. Expresses its conviction that more stable market conditions for commodities would be conducive to the social and economic development of developing countries and could, inter alia, contribute to the international campaign against illicit production, trafficking and consumption of narcotic drugs thus supporting the efforts undertaken by countries combating such illicit activities;

7. Recognizes the need for a better functioning of commodity markets and the desirability of achieving stable and more predictable conditions in commodity trade, and avoiding excessive fluctuations of prices, and urges producer-consumer

co-operation with a view to improving the functioning of existing international commodity agreements or arrangements and/or, as appropriate, negotiating other commodity agreements or arrangements, in line with the relevant provisions of the Final Act adopted by the United Nations Conference on Trade and Development at its seventh session;

8. Urges all parties involved to meet agreed commitments and work for a balanced approach to the Multilateral Trade Negotiations within the Uruguay Round so as to ensure that their successful conclusion brings about further expansion and liberalization in the trade in commodities, taking into account the special and differential treatment for developing countries, as well as all other principles contained in the Punta del Este Ministerial Declaration;

9. Recognizes the urgent need to address the grave problem of export earnings shortfalls in the commodities of developing countries and, in this regard, notes that a special session of the Trade and Development Board will be devoted to compensatory financing of these shortfalls;

10. Calls upon those countries that have ratified the Agreement Establishing the Common Fund for Commodities to contribute to making both accounts of the Fund fully operational as soon as possible, in full compliance with the provisions of the Agreement and, in this connection, welcomes the significant voluntary contributions made to the second account of the Fund and expresses the hope that further contributions will be forthcoming;

11. Invites 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 improvement of market conditions to the benefit of both producers and consumers;

12. 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;

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