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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Malaysia*: revised draft resolution

Trends in the transfer of resources to and from the developing countries and their impact on the economic growth and sustained development of those countries

The General Assembly,

Recalling its resolutions 41/202 of 8 December 1986 on strengthened international economic co-operation aimed at resolving the external debt problem of developing countries, 42/198 of 11 December 1987 on furthering international co-operation regarding the external debt problem and 43/198 of 20 December 1988 on external debt crisis and development,

Recalling also its resolution 43/197 of 20 December 1988 on fulfilment of the target for official development assistance,

Taking note of Economic and Social Council decision 1988/160 of 27 July 1988 on the net transfer of resources from developing to developed countries and resolution 1989/112 of 28 July 1989 on the net transfer of resources from developing countries and its impact on their economic growth and development,

Aware that the pronounced decline in the flow of resources, severe external indebtedness, deterioration in terms of trade, long-term downward trend of commodity prices, continued protectionism and other trade measures, translated into a net transfer of resources from developing countries,

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

Deeply concerned that such a phenomenon is still contributing to depriving the developing countries affected of resources needed for sustained economic growth and sustained development and may threaten their social and political stability,

Bearing in mind that, owing to the persistent structural imbalances of the world economy, the developing countries continue to face major problems in the areas of money, finance, resource flows, trade, commodities and external debt,

Gravely concerned that the trend in the net flow of resources indicates the urgent need for all countries to act in a concerted way to address this problem in order to ensure the reactivation of economic growth and sustained development of the developing countries,

1. Urges the international community to adopt concrete measures in order to ensure adequate resources for the reactivation of economic growth and sustained development in developing countries, taking into account the following recommendations:

(a) That the Governments of developed countries promote an adequate flow of resources to developing countries, and donor countries bring up the official development assistance rate as quickly as possible to internationally agreed targets;

(b) That, in order to overcome the longstanding external indebtedness of developing countries, there should be, inter alia, and as appropriate, a significant reduction in the stock of debt and debt service that is sufficiently large to contribute to the attainment of the objective of the resumption of vigorous growth and sustained development in indebted developing countries;

(c) That the Governments of countries members of multilateral financial institutions ensure an adequate level of their resources for a full discharge of their mandate in order to contribute to meeting the needs and requirements of the economic and social programmes of developing countries in the context of an approach consistent with the socio-economic objectives, growth and development priorities of those countries;

(d) That, where appropriate, national measures be taken that are conducive to capital formation in developing countries experiencing insufficiency of savings and flow of external resources;

(e) That intensified efforts be made by industrial countries to continue structural adjustment, maintain the vigour of their expansion while reducing and/or containing inflation, and work towards a mix of fiscal and monetary policies that would allow interest rates to come down, and hence induce a more favourable international economic climate;

(f) That all Governments work towards a more open international trading system that improves access especially for the export products of developing countries particularly in the context of the Uruguay Round of multilateral trade negotiations;

2. Recommends that the Trade and Development Board of the United Nations Conference on Trade and Development at its thirty-seventh session give in-depth consideration to the transfer of resources to and from developing countries;

3. Invites the Joint Ministerial Committee of the Board of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries to continue its work and to give in-depth consideration to the transfer of resources to and from developing countries;

4. Requests the Secretary-General to report to the General Assembly at its forty-fifth session on the implementation of the recommendations contained in paragraph 1 of the present resolution.
