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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

India: draft resolution*

Protectionism and structural adjustment

The General Assembly,

Recalling its resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action for the Establishment of the New International Economic Order, 3281 (XXIX) of 12 December 1974 containing the Charter of Economic Rights and Duties of States, and 3302 (S-VII) of 16 September 1975 on development and international economic co-operation, 31/163 of 21 September 1976, and resolution 33/196 of 29 January 1979,

Affirming the relevant resolutions adopted by the United Nations Conference on Trade and Development, particularly resolution 96 (IV), entitled "A set of interrelated and mutually supporting measures for expansion and diversification of exports of manufactures and semi-manufactures of developing countries", 1/ and 131 (V), entitled "Protectionism and structural adjustment",

Recognizing that international trade should play an essential role in economic growth and development, particularly in that of developing countries, and that the expansion of international trade on an equitable basis should be beneficial to all countries,

Noting with concern the increase in many developed countries of subsidies to inefficient and internationally less competitive lines of production which are of particular export interest to developing countries,

Recognizing also that a healthy world economy would require, inter alia, the establishment of long-term industrial structural adjustment policies and

* The draft resolution is submitted by the delegation of India on behalf of the States Members of the United Nations which are members of the Group of 77.

1/ See Proceedings of the United Nations Conference on Trade and Development, Fourth Session, vol. I, Report and Annexes, (United Nations publication, Sales No. E.76.II.D.10 and corrigendum), part one, sect. A.

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measures to facilitate a greater transfer of industrial capacities from developed to developing countries in order to attain an equitable and effective international division of labour as well as the promotion of a substantial increase in the share of developing countries in world industrial production and exports of manufactures and semi-manufactures, in the light of the targets set out in the Lima Plan of Action on Industrial Development and Co-operation,

Noting the deep concern of all countries about intensified protectionist pressures and that of the developing countries in particular about the serious consequences which the increase in recent years of protectionist measures in developed countries may have for them by affecting their exports, particularly in sectors in which the comparative advantage has shifted in their favour and opened up important perspectives for growth in their economies,

Recognising further that the current economic problems of developed countries cannot be solved by concealed or open protectionism and that trade restrictive measures could touch off chain reactions involving a widening series of actions by an increasing number of countries,

Noting also with deep concern that these measures, by delaying the process of necessary structural change in the developed countries and consequently limiting the market access for manufactured and semi-manufactured exports of developing countries, have adverse effects on the economies of developing countries,

Realizing that increasing protectionist measures have, inter alia, aggravated inflation in the developed countries, which is in turn transferred to the developing countries,

Emphasizing also the importance of structural adjustment for the elimination of protectionism and for the promotion of greater international trade in keeping with the interests of developing countries and with a view to the early attainment of their development objectives,

1. Urges developed countries to implement fully and to adhere strictly to the stand-still provisions they have accepted by refraining from introducing new tariff and non-tariff barriers affecting the exports of developing countries and to substantially reduce tariff escalation so as to provide improved access to exports of manufactures and semi-manufactures from the developing countries;

2. Calls on developed countries to eliminate promptly the existing tariffs and non-tariff barriers and particularly the quantitative restrictions and other measures, having an equivalent effect on the exports of developing countries;

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3. Agrees that structural adjustment should be a constant and global process which the international community, in particular the developed countries, should facilitate by conscious efforts with a view to ensuring accelerated and sustained over-all growth of the developing countries, including the development and diversification of the economies and an effective international division of labour involving both interindustry and intra-industry specialization, enabling developing countries to secure an increase in their share in world trade, in processed goods and in manufacturing;

4. Calls on developed countries to implement long-term industrial, structural adjustment policies with a view to facilitating the establishment of an equitable and effective international division of labour;

5. Requests the United Nations Conference on Trade and Development to organize speedily the annual review of the patterns of production and trade in the world economy, with a view to identifying elements or problems most relevant to the attainment of optimum and healthy over-all economic growth, including the development and diversification of the economies of developing countries in accordance with the dynamics of their comparative advantage, as called for in paragraph 2 of section A of resolution 131 (V) of the fifth session of the United Nations Conference on Trade and Development;

6. Calls on member countries of the United Nations Conference on Trade and Development to undertake sectoral reviews within the framework of the annual review referred to in paragraph 5 above with a view to effective and full implementation of paragraph 3 of section A of resolution 131 (V), and invites the United Nations Conference on Trade and Development to formulate recommendations in the annual reviews on different alternatives to be applied by developed countries;

7. Requests the United Nations Conference on Trade and Development to review continuously developments involving restrictions of trade affecting exports of developing countries with a view to examining and formulating appropriate recommendations. This comprehensive review should also deal with the monitoring of the evolution of the industrial capacity in the developed countries with a view to recommending the necessary measures that would avoid protectionist demands in those countries.
