SM/90/225

December 7, 1990

To: Members of the Executive Board

From: The Secretary

Subject: UNCTAD - Trade and Development Board

There is attached for the information of the Executive Directors a report by the Fund observers on the first part of the thirty-seventh session of the Trade and Development Board of UNCTAD, held in Geneva during October 1-12 and 17, 1990.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

UNCTAD--Trade and Development Board

First Part of the Thirty-Seventh Session

Prepared by the Fund Observers 1/

December 6, 1990

## I. Introduction and Summary

The Trade and Development Board's (TDB) thirty-seventh session, first part, 2/ focused on two major items: the interdependence of problems of trade, development finance and the international monetary system; and the debt and development problems of developing countries; 3/ and adopted consensus resolutions on both of them. The Board also agreed on the substantive item for discussion at the eighth session of UNCTAD (UNCTAD VIII), to be held at Punta del Este, Uruguay, in September-October, 1991. In many ways, the session was dominated by the impact of the Middle East crisis on the current economic and financial developments and prospects globally, and on the developing countries specifically. On this and other issues, the session drew heavily on the discussions that took place at the Second United Nations Conference on the Least Developed Countries, held in Paris, and the Bank-Fund Annual Meetings, 4/ both held in September, 1990.

---

1/ Mrs. H.B. Junz and Mr. Grant B. Taplin.

2/ Held in Geneva during October 1-12 and 17, 1990, under the chairmanship of Ambassador Jean-David Levitte of France.

3/ Annotated provisional agenda (TD/B/1259 and Add.1 and Add.2) and UNCTAD Secretariat reports: Trade and Development Report, 1990 (UNCTAD/TDR/10); Interdependence of Problems of Trade, Development Finance and the International Monetary System (TD/B/L.864, originally prepared in 1989 for the First Part of the previous session of the Board); and Economic Consequences of the Present Crisis: A Preliminary Assessment (TD/B/1272).

4/ The communiqués of the 35th meeting of the Interim Committee of the Board of Governors of the Fund and of the 39th meeting of the Joint Ministerial Committee of the Board of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries, were circulated to the TDB as TDR/B/1270.

## II. Interdependence of Problems of Trade, Development Finance and the International Monetary System, and the Debt and Development Problems of the Developing Countries

The Secretariat's Trade and Development Report, 1990 (TDR), supplemented by a preliminary assessment of the Middle East crisis, provided the background documentation for the principal agenda items. 1/ In addition, there was an informal off-the-record discussion on interdependence in which a small number of invited experts, as well as representatives from the Fund, the GATT, and the World Bank, participated.

As with most documentation at this time, the TDR identifies the following factors as those that will shape the world economy over the next decade: the transformation of the economies of Central and Eastern Europe and their integration into the world trading and financial system; the creation of a single market in Western Europe; the United States' budget deficit, and the prospect of the United States ceasing to be a large net capital importer; and changes in the international trading system following the conclusions of the Uruguay Round.

With regard to the Uruguay Round, the TDR repeats its concern that many developing countries do not share adequately in the growth of world trade, while noting the disparity of growth and export performances among developing countries, and that the Uruguay Round may not lead to a reversal of the protectionist tendencies in the trade policies of industrialized countries and to a strengthening of the multilateral trading system such as to remedy this situation. It worries that developing countries may benefit only to a limited extent from the acceleration of economic integration in Europe, the rapidly evolving economic links between Western Europe, Central and Eastern European countries, and the emergence of a free trade area in North America.

In reviewing the debt situation, the TDR repeats its earlier view that, despite recent strengthening, the international debt strategy is still inadequate to meet the needs of highly indebted developing countries. It then calls for additional responses from official creditors (through the Paris Club and through debt reduction initiatives), from commercial banks, and from multilateral financial institutions.

The concerns about developing countries not fully sharing the benefits of expansion of world trade and continuing to be beset by external financial difficulties are further heightened in the context of the TDR analysis of world financial instability. The latter was this year's special theme. The TDR sees financial instability, reflected in volatility of exchange rates, interest rates, asset prices, and the volume and direction of capital movements, as very high in the 1980s, leading to acute uncertainty and unpredictability of production and trade. In its view, a main source of

---

1/ UNCTAD/TDR/10 and TDR/B/1272.

instability is the liberalization and deregulation of financial activity of the past decade. The resulting proliferation of asset choice does not appear to have improved the international allocation of savings, as the TDB asserts the increase in international financial transactions to have been portfolio-related, rather than driven by business decisions of entrepreneurs. Further factors behind the increase in instability are a shift in monetary policy concern from stabilization of interest rates to the control of monetary growth, and extreme reluctance to use either fiscal policy to manage the level of demand or income policy to combat inflation. This public policy orientation also adds to the emergence of large inconsistencies among the policy stances of major countries, resulting in vast trade imbalances and sharp swings in exchange rates.

To remedy instability and reduce uncertainty to more tolerable levels, the TDR calls for managed financial markets and multipolar world cooperation including:

- Government commitments to a publicly announced and internationally agreed pattern of exchange rates, compatible with high levels of activity and employment;

- Strengthened multilateral surveillance of policies of major industrial countries, with the use of global targets and indicators;

- Policy intervention, using, for example, taxes on financial transactions, to increase the cost of speculation; and

- Tighter and internationally harmonized prudential regulations.

The TDR notes that financial services is an important subject in the multilateral negotiations on services in the Uruguay Round. But, owing to the pivotal role of banking services, opening banking markets in developing countries carries the benefit of improving performance of financial sectors, but also dangers especially for developing countries. In particular:

- It would entail dismantling significant parts of national regimes of exchange control which have proved effective in stemming capital flight, thereby making an essential contribution to macroeconomic management;

- The presence of foreign banks could complicate the conduct of autonomous national monetary policies;

- The liberal, market-driven banking systems may not provide the allocation of credit required for economic development; and

- Indigenous banking systems are an integral part of economic development.

In addition to setting out the principal conclusions of the TDR, the introductory statement of the Secretary General summarized the Secretariat's preliminary views of the economic consequences of recent developments in the Middle East, along the lines of his statement to the Interim and Development Committee meetings in Washington, in September. Since the current level of oil prices reflected uncertainty and speculation, rather than the balance between supplies and demand, the appropriate policy response was to seek bridge financing until uncertainty could be redressed, rather than adjustment to a structural change. The appropriate international response, therefore, was the creation of an ad hoc international compensatory facility on concessional terms to provide the required large scale financing, the release of strategic petroleum reserves to reduce oil price volatility, and a joint agreement between consumers and producers on production levels and guidelines for intervention in the oil market by holders of official stocks to curb speculation. Lastly, major industrialized countries should avoid accentuating recessionary tendencies.

The debate on the two principal agenda items followed broadly the lines of the previous year's discussion. 1/ In general, developing countries recognized their own responsibilities for structural reform, but argued that their efforts were being hampered by an unfavorable international economic environment, in part reflecting unbalanced policies in industrialized countries, and inadequate external finance on appropriate terms. As in the past, developing countries called for extensive international action and coordination, including improvement in the quantity, quality and terms of development finance, a strengthened resource base of multilateral institutions, and more official funds to enlarge the scale of debt reductions. Moreover, they supported the proposal to create a new financing facility to deal with the impact of the Middle East crisis. 2/

As on previous occasions, the industrialized countries stressed that sound domestic policies, together with improved governmental and administrative capacities, were the requisites for development. The economic situation in many developing countries remained difficult and their situation was exacerbated by the impact of Middle East developments, but growth in the OECD area was expected to lead to a significant increase in OECD imports from non-OECD countries. Also, in response to the Secretariat's concern regarding the potential trade-diverting effects of economic integration trends identified above, deepening inter-European cooperation would have a positive worldwide impact on growth; interestingly, this concern was not addressed by the developing countries. Another favorable element for oil exporting countries was an increase in export earnings. In rejecting the call for a new financing facility, the

---

1/ SM/89/235 (11/13/89).

2/ A draft resolution to this effect, presented by Senegal on behalf of the Group of 77 (the group of developing countries), was subsequently withdrawn, but the Board decided to present it in an annex to the Session Report.

industrialized countries deemed that recent steps taken, or envisaged, by the Fund, the Bank, and the newly created Gulf Crisis Financial Support Group, together with support by those developing countries that would be experiencing increases in their export earnings, would be adequate for the task.

Of particular interest was the basic break-up of Group D, 1/ with Hungary and Poland actually moving to take independent seats not associated with any group, and Bulgaria and Czechoslovakia only remaining for administrative purposes. Thus, there were many individual statements, with Bulgaria, Czechoslovakia, Hungary, Poland and Romania each voicing strong commitment to transforming their economies to be guided by market forces, which included the fostering of private property and entrepreneurship, and liberalizing price and trading systems. Although some emphasized a big-bang approach (Poland), regardless of differences about appropriate speed of adjustment, it was clear that the process was considered to be irreversible.

The statement of the Fund's Representative stressed that the maintenance of on-going medium-term growth strategies to achieve quality growth remains key. These efforts had been made more difficult by the recent developments in the Middle East, particularly for those developing countries adversely affected by higher oil prices, the curtailment of import-export markets, the loss of workers' remittances, and the distribution and costs associated with reabsorbing workers formerly employed in the Middle East. For them, adequate financing would be a critical element in the pursuit of their economic strategies and, more generally, for all countries affected by the deterioration in the external economic environment, it was yet more important that the future not be burdened by excessive assumption of debt. Therefore, a careful evaluation of the adjustment/financing mix appropriate to the particular circumstances of each country was essential. This importance of a careful blend of strengthened adjustment and additional financing was widely acknowledged during the Annual Meetings of the Fund and the Bank.

The Fund was examining how existing facilities could be used and adapted to assist member countries in current circumstances, as requested by the Interim Committee. In addition, the possibility of establishing a subsidy mechanism to alleviate, for a limited number of countries, the financing costs associated with the use of Fund resources was under discussion.

The consensus that existing facilities, administered flexibly, would be adequate to the task, reflected the view that the current economic situation was considerably more manageable than were the oil shocks of the 1970s, as well as the fact that economic policy responses incorporated the lessons of the past. The price consequences of recent oil market developments needed

---

1/ Group D comprised socialist countries in Eastern and Central Europe, including the U.S.S.R., Byelorussia and the Ukraine.

to be passed through to consumers, and the inflationary effects would need to be met by firm fiscal and monetary policies. To dispel uncertainties regarding economic policies, governments should assure the public that there would be no premature easing of monetary policy, efforts at fiscal consolidation would be strengthened, and structural adjustment would be continued. Also, while the Fund was well positioned to respond to current difficulties, it was urgent to bring the quota increases agreed under the Ninth General Review into effect at the earliest possible date.

In this context also, the positive outcome of the Uruguay Round needed to be stressed as the resilience of the world economy, the success of countries' market-oriented reforms, and the avoidance of unnecessary cuts in living standards in the fight against inflation, all hinged importantly on a liberal and open trading system. Such a system needs to be governed by trading rules that are predictable and supportive of the world-wide move toward allowing market signals to allocate resources. Accordingly, such rules need to cover all major sectors of economic activity. There are genuine concerns about the difficulties of fitting the treatment of financial services into a trade liberalization framework, particularly in the areas of regulation and supervision. However, such difficulties can be solved. The need to do so was important also as the successful conclusion of the Uruguay Round would have far-reaching favorable consequences, and failure would be costly.

The debate, and accompanying informal discussions, resulted in the adoption of consensus resolutions on the two principal items of the agenda. These resolutions do not call for new initiatives, as a draft resolution calling for new international machinery to stabilize oil markets was put aside. The resolution on interdependence 1/ states that each country is responsible for its own development, and calls on all countries to pursue effective, efficient, and market-based structural adjustment efforts. It calls for donor governments and international institutions to support development efforts through the provision of additional resources of improved quality, while continuing to address the debt problem; appeals to governments to reaffirm their determination to achieve a successful outcome of the Uruguay Round; stresses the importance of increasing savings and investments, and establishing conditions favorable to national and foreign investment, reduction of flight capital and its repatriation; and lastly, calls for increased international cooperation through a dialogue on commodity issues, reduction of internal and external imbalances, and further coordination of economic and monetary policy to achieve stability of the international monetary system.

The resolution on debt 2/ welcomes recent improvements in the debt strategy, but notes that further action is needed. Industrialized countries should intensify efforts to bring about a more favorable international

---

1/ TD/B/L.910, attached.
2/ TD/B/L.909, attached.

economic environment, with particular emphasis on the fiscal and monetary policy mix to bring down interest rates, on promoting stability in exchange markets, on providing adequate financing of adjustment programs, and on achieving a successful outcome of the Uruguay Round. Debtor countries should strengthen their growth-oriented adjustment policies. Access to financing is to be improved through a review of the terms on which official debt is rescheduled, and where appropriate, greater official support for debt and debt service reduction programs, and through consideration by multilateral financial institutions, development funds, and donors of measures to alleviate the burden of multilateral debt owed by the least developed countries, 1/ by donor assistance for developing countries trying to cope with their overdue obligations to multilateral financial institutions. Finally, the multilateral financial institutions and donor countries should assist countries adversely affected by the latest crisis.

## III. Other Issues

Besides the principal agenda items, the TDB focused on preparations for the eighth session of the United Nations Conference on Trade and Development (UNCTAD VIII), and approved as the agenda theme consideration of "Srengthening National and International Action and Multilateral Cooperation for a Healthy, Secure and Equitable World Economy." 2/ UNCTAD VIII will be held during September-October, 1991, in Punta del Este, Uruguay.

The Board adopted a work program under which the second part of its thirty-seventh session, tentatively scheduled to take place in Geneva during March 11-22, 1991, will focus primarily on "Protectionism and structural adjustment, including the outcome of the Uruguay Round"; the agenda further provides for a review of progress on the implementation of the Program of Action of the Second United Nations Conference on the Least Developed Countries, and preparation for UNCTAD VIII.

The Board also adopted two further decisions, one on UNCTAD's contribution, within its mandate, to sustainable development. 3/ Under this decision, the Secretary General of UNCTAD is requested to prepare an analysis of the issue of sustainable development; the objective of sustainable development, particularly the reduction of poverty, is to be incorporated in all areas of UNCTAD's work at the intergovernmental level

---

1/ On this point, the United States delegation formally opposed any language suggesting that multilateral financial institutions should undertake new debt relief operations which could have adverse implications for their sound financial basis and credit-rating, and said that it was inappropriate for a U.N. forum to interfere with the independent mandate of such institutions, and to put forward specific proposals for new initiatives.

2/ TD/B/L.911, attached.

3/ Board Decision 370 (XXXVI).

and Secretariat work. The second decision 1/ provides for increased UNCTAD support for economic cooperation among developing countries through various forms of technical assistance. Moreover, the Secretariat will prepare an in-depth study on the main obstacles to the expansion of trade among developing countries. Finally, the Board approved the calendar of meetings for the remainder of 1990, took note of the draft calendar of meetings for 1991 and tentative scheduling for 1992 and 1993, which will be finalized in the light of the timing of UNCTAD VIII.

Attachments (3)

---

1/ Board Decision 371 (XXXVII).

United Nations Conference on Trade and Development

Distr.
LIMITED

TD/B/L.909
15 October 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-seventh session
First part
Geneva, 1 October 1990
Agenda item 4

DEBT AND DEVELOPMENT PROBLEMS OF DEVELOPING COUNTRIES

- INCLUDING DISCUSSION CALLED FOR IN PARAGRAPH 2 OF GENERAL ASSEMBLY RESOLUTION 44/232 OF 22 DECEMBER 1989 ON 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

Draft resolution submitted by the President

The Trade and Development Board,

Reaffirming its resolution 375(XXXVI) of 13 October 1989,

Recalling the Final Act of UNCTAD VII, and General Assembly resolution 41/202,

Noting General Assembly resolutions 42/198, 43/198, 44/205 and 44/232,

Concerned that many developing countries, particularly the heavily indebted ones, continue to experience poor growth performance, which is a threat to their economic, social and political stability, Further concerned by continued insufficient financial resources available to developing countries for development, which in a number of cases have not offset the outflows of resources from developing countries,

Welcoming the recent improvements in the debt strategy and especially:

(a) the wide application of the Toronto terms since 1988;

(b) the application by the Paris Club of new practices in favour of lower middle-income countries since September 1990, which include longer repayment periods as well as, on a voluntary basis, limited debt for nature, debt for aid, debt for equity swaps or other local currency debt swaps;

(c) the efforts made or announced by developed countries, in conformity with Trade and Development Board resolution 165(S-IX) of 11 March 1978, by cancelling official development assistance debt, or providing equivalent relief;

(d) the recommendations made by the Interim and Development Committees to fully and expeditiously implement the strengthened debt strategy;

(e) the number of debt and debt-service reduction packages already concluded, or in the course of negotiation, between debtor countries and commercial banks;

(f) the proposals made by some Governments, such as France, the Netherlands and the United Kingdom, involving further measures to reduce the official debt burden, and efforts by the United States to implement the Enterprise for the Americas Initiative designed to promote investment, growth and debt reduction in Latin America,

Noting with interest the continued analytical efforts carried out by a number of international institutions, and that the Secretary-General of the United Nations has appointed Mr. Bettino Craxi as his Personal Representative on Debt, Encouraging further progress to be made in the implementation of the debt strategy in order to contribute to the restoration of normal debtor-creditor relations in most heavily indebted countries, external viability, sustained and satisfactory growth, and adjustment efforts of developing countries,

Noting with deep concern the serious adverse impact of the latest crisis on many developing countries, particularly the heavily indebted ones and those most seriously affected,

Recognizing the role of the international financial institutions in dealing with the debt problems of developing countries,

1. Agrees that further action through the international debt strategy is needed to achieve expeditiously durable, equitable and mutually agreed solutions to the problem of indebtedness in each of the countries concerned, with a view to promoting the revival of growth and sustained development in developing countries. This will require, inter alia:

(a) Intensified efforts by industrial countries, within the framework of international co-operation, to bring about a more favourable international economic environment conducive to non-inflationary growth and development by adopting an appropriate mix of fiscal and monetary policies conducive to a decline in interest rates; by promoting the stability of exchange markets; by facilitating adequate financing of adjustment programmes; by encouraging the flow of foreign direct investment and other non-debt creating flows to developing countries; and by contributing, with all trading partners, to a timely and successful outcome of the Uruguay Round of multilateral trade negotiations that would result in the liberalization and expansion of world trade to the benefit of all countries, especially developing countries;

(b) The strengthening by debtor countries of their growth-oriented adjustment policies including sound macro-economic and structural policies, measures to consolidate national savings, attract foreign direct investment and other non-debt creating flows, and reverse capital flight, taking into account their priorities and the needs of the most vulnerable groups;

(c) Intensified efforts to review the terms of official debt reschedulings in order to bring debt-service obligations in line with what heavily indebted countries can be expected to pay according to their capacity,

- without jeopardizing their adjustment efforts, their economic growth and the satisfaction of basic social needs,

- through urgent consideration of the various proposals recently put forward by a number of creditor Governments concerning the reduction of official bilateral debt and debt service owed by low-income countries,

- through, inter alia, consideration of options by creditor countries to lighten the debt burden of middle-income countries with significant official debt;

(d) Faster and more effective implementation of the strengthened debt strategy designed, inter alia, to extend, on an appropriate scale, to additional eligible countries the reduction of debt and debt service owed to commercial banks, with financial support from official sources, where appropriate. In this regard, multilateral institutions and creditor Governments are invited to continue to review intensively those aspects of their operating guidelines, and fiscal and regulatory provisions, that have a bearing on debt and debt-service reduction, to ensure that they facilitate this process;

(e) Careful consideration of measures by multilateral financial institutions, development funds and donor countries to alleviate the burden of multilateral debt owed by the least developed countries, as recommended by the Second United Nations Conference on the Least Developed Countries in Paris;

(f) Adequate financial assistance by donors to developing countries making serious efforts to cope with overdue obligations to multilateral financial institutions, in order to help clear arrears and finance structural adjustment programmes through a co-operative approach:

(g) Due consideration to be given by creditors, through the adoption of appropriate policies, to those developing countries with substantial debt burdens that have not restructured their debt and have remained current in servicing their external obligations, while carrying out sound macro-economic policies;

2. Urges the multilateral financial institutions and the donor countries to take appropriate steps to assist effectively developing countries adversely affected by the latest crisis. In particular, the multilateral financial institutions are invited to respond promptly, flexibly and with expanded resources to the needs of the present situation, and play a catalytic role in mobilizing additional assistance.

# United Nations Conference on Trade and Development

Distr.
LIMITED

TD/B/L.910
15 October 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-seventh session
First part
Geneva, 1 October 1990
Agenda item 3

## INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT FINANCE AND THE INTERNATIONAL MONETARY SYSTEM

Draft resolution submitted by the President

The Trade and Development Board,

Taking into account the Declaration adopted at the eighteenth special session of the United Nations General Assembly on international economic co-operation,

Taking also into account the Declaration adopted on the occasion of the twenty-fifth anniversary of UNCTAD (UNCTAD/PSM/CAS/138),

Recalling Board resolution 374 (XXXVI) of 13 October 1989,

Taking into consideration the debate on the interdependence of problems of trade, finance and the monetary system at the first part of its thirty-seventh session,

Taking into consideration the prevailing international economic situation, Adopts the following recommendations:

1. The Trade and Development Board, aware that one of the key elements for the success of economic policies is the determination to adapt, invites all countries to pursue effective and efficient structural adjustment efforts, in accordance with their priorities, objectives, capacities, specific conditions and needs, making use of market signals as appropriate. Poverty alleviation, equitable burden sharing, participatory development and democratisation based on respect of national sovereignty are important conditions and objectives of development. The acceleration of changes in the international situation makes it more necessary than ever to adjust to the new situation.

2. The present opportunity to restore a long-term approach to development and move beyond short-term adjustment must be seized. Actions should take into account the responsibility of each country for its own development and should be in accordance with its capacity and its impact on the international economy.

3. The Board invites Governments and competent international institutions to support the development efforts of the developing countries by additional resources and to continue to address the debt problem, taking into account the resolution on debt adopted by the Board at the present session. The Board underlines that the international community should support adjustment policies in developing countries in the spirit of reinforced partnership. It invites industrialized countries to do their utmost to contribute to the necessary actions in accordance with their capacities and their economic power. It invites the international financial institutions to further enhance their aid to developing countries and improve its quality.

4. The Board, underlining the particular importance in the present context of a successful outcome of the Uruguay Round, appeals to all Governments engaged in the Multilateral Trade Negotiations to reaffirm their determination to achieve balanced results, opening the way to increased liberalisation and sustained growth in world trade for the benefit of all countries and specially developing countries.

5. The Board, being aware that one of the important factors in the international economic situation resides also in the growing differences in global finance needs and savings levels, which further aggravate the problem of allocating adequate resources for development, invites all countries to favour, by appropriate policies, an increase in their level of savings so as to release extra financial resources commensurate with investment and development needs. The additional resources thus released should be used in an effective and profitable way to achieve in all countries sustained and sustainable development. All countries should continue to establish conditions favourable to national and foreign investment, the reduction of flight capital and its repatriation.

6. In order to bring about a more favorable international economic environment conducive to development, there is a crucial need for co-operation in a number of important areas, notably: the dialogue on commodities; the reduction of internal and external imbalances; and the stability of the international monetary system through further co-ordination of economic and monetary policies.

UNITED
NATIONS

ATTACHMENT III

TD

# United Nations Conference on Trade and Development

Distr.
LIMITED

TD/B/L.911
15 October 1990

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Thirty-seventh session
First part
Geneva, 1 October 1990
Agenda item 5

ARRANGEMENTS AND PREPARATIONS FOR THE EIGHTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Substantive item of the provisional agenda for the eighth session of the United Nations Conference on Trade and Development

Submitted by the Secretary-General of UNCTAD

Strengthening national and international action and multilateral co-operation for a healthy, secure and equitable world economy.

Evaluation of challenges and potentials presented by long-term structural changes for sustainable development and expansion of international trade in an interdependent world economy. Promoting economic growth, technological capabilities and accelerated development in the developing countries: adoption of sound national and international policies and measures, good management and structural reforms in both developed and developing countries to achieve the effective and efficient allocation, use and mobilisation of human and economic resources and a more favourable international economic environment. Towards this end, issues in the following interrelated areas would be addressed: Resources for Development; International Trade; Technology; Services; Commodities.