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November 13, 1986

To: Members of the Executive Board

From: The Secretary

Subject: UNCTAD - Trade and Development Board - Thirty-Third Session

Attached for the information of the Executive Directors is a report by the Fund observers on the thirty-third session of the UNCTAD Trade and Development Board, held in Geneva from September 1 through 12 and on October 3, 1986.

Att: (1)

Other Distribution:  
Department Heads

INTERNATIONAL MONETARY FUND

UNCTAD--Trade and Development Board

Thirty-Third Session

Report by the Fund Observers 1/

November 12, 1986

1. Introduction and summary

The Trade and Development Board held its thirty-third session in Geneva during September 1-12 and October 3 under the chairmanship of Ambassador Alfarargi of Egypt. The Board had three major items on its agenda: (a) an assessment of the interdependence of trade, development finance, and the international monetary system including debt and development problems of developing countries; (b) a review of protectionism, structural adjustment and the international trading system; and (c) the question of the agenda, organization, venue, and duration of UNCTAD VII. 2/

While the delegations limited themselves at reiterating well-known views on the first two topics, intensive negotiations took place on the third item. Little progress, however, was made initially as Group B (industrial market economy countries) was unable to support the draft agenda for UNCTAD VII proposed by the Group of 77, and the Board decided to suspend the session to give more time to the delegations for further informal consultations. At the resumed session of the Board on October 3, considerable support emerged on a compromise resolution which incorporated the agenda proposed by the Group of 77 but clarified its content on two points of major concern for Group B: the need for a comprehensive analysis of the role of the private sector in the development process and for an examination of monetary questions without prejudice to the competence of the IMF and other international financial institutions. The Board approved this resolution by a vote with the U.S. voting against and all other participants voting in favor. The U.S. representative said that he had cast a negative vote because the agenda did not put sufficient emphasis on the assessment of the role of the private sector and of national policies in the development process.

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1/ Messrs. C.E. Sanson, Jack P. Barnouin, C.F.J. Boonekamp.

2/ The Board had for its consideration a number of reports prepared by the UNCTAD Secretariat, including, inter alia: Trade and Development Report, 1986 (UNCTAD/TDR/6); Notes on developments in the international trading system (TD/B/1101); and Services and the development process: further studies pursuant to Conference resolution 159 (VI) and Board decision 309 (XXX) (TD/B/1100).

He stated, however, that his authorities intended to participate fully in the ongoing preparation for UNCTAD VII and in the Conference itself.

2. Statement by the Secretary General of UNCTAD

In his opening statement, the Secretary-General of UNCTAD said that the victory won by the developed market economies in their fight against inflation had been achieved "in the context, and at the cost, of a renewed slowdown in growth in both developed and developing countries." Investment remained very depressed worldwide and non-oil commodity prices were down to their lowest levels in real terms since the Great Depression. The debt crisis continued unabated for most developing countries, several of which were suffering a massive net outflow of resources as new lending was "choked off by the overhang of debt."

The recent depreciation of the dollar, the decline in oil prices and the prospective cuts in the United States budget deficit, he noted, were not "likely, by themselves, to give fresh impetus to world growth, or to loosen overall the external financial squeeze on developing countries." This highlighted the need for the major market economy countries to adopt "expansionary monetary and fiscal policies" designed to relax "the constraints on world economic expansion." Such new policies, he added, would have to be complemented by structural adjustment measures. In this context, he stressed the need for such measures in developing countries designed to raise savings and investment, achieve price stability, and to improve allocation of resources. Structural policies would need to be pursued by developed countries as well to sustain rapid growth in the world economy.

Turning to trade issues, the Secretary-General said that "while calls for the liberalization of world trade continued to reverberate, protectionism and subsidies were not retreating." Thus, the world trading environment was becoming increasingly unpredictable, making it difficult for all countries, and more especially for the developing ones, to expand their trade. He expressed the hope that UNCTAD would provide a useful forum for dialogue and consensus and trusted that the UNCTAD Secretariat would be in a position to provide technical assistance to participating developing countries in the forthcoming multi-lateral trade negotiations.

As regards commodity markets, he said that the current weakening reflected both cyclical influences and structural aspects, including technological developments affecting the supply of and demand for commodities. Moreover, the maintenance of trade barriers and excessive support to agriculture by industrialized countries continued to restrict market opportunities for efficient commodity producers.

Regarding the debt problems of developing countries, he welcomed the fact that faster growth in the debtor countries was now widely acknowledged as being an integral part of the international strategy on debt. International measures to improve the stability and predict-

ability of prices and to improve market access were therefore urgently required. However, he feared that this new approach had not been "placed squarely in the context of a coherent international strategy for reviving growth in the world economy." Moreover, the amount of additional financing needed was "inadequate, for the poorer indebted countries as well as for the large debtors, to loosen current constraints on their growth." He thus argued that additional measures should be considered, including the possibility of temporary reductions of interest rates and the linking of interest payments to the prices of the debtors' major export commodities.

3. Interdependence of problems of trade, development finance and the international monetary system, and debt and development problems of developing countries

The spokesman for the Group of 77 stated that the deflationary policies pursued by the major market-economy countries in recent years had resulted in a prolonged weakness in world demand, a severe deterioration of commodity prices and a proliferation of protectionist measures. This had severely hampered the adjustment efforts undertaken by the developing countries to step up savings and investments, and to increase the competitiveness of their industries. A more positive outcome of these efforts, he argued, crucially depended on the prompt adoption by the developed market-economy countries of policies designed to improve the international economic environment. Such policies should aim at stimulating the expansion of world demand, opening up the markets of the developed countries to imports originating in developing countries, and substantially increasing the size of ODA flows.

Turning to the debt problem of the developing countries, the spokesman for the Group of 77 said that the time had come for creditor countries to contribute more effectively to the solution of the debt crisis by lowering interest rates to levels compatible with the development needs of debtor countries, extending substantially grace and repayment periods on existing debt, increasing ODA flows, raising commodity prices to equitable and remunerative levels, and eliminating protectionist measures and subsidies in the framework of a strengthened and improved multilateral trading system. He also argued that debt service payments by debtor countries should not exceed a percentage of export earnings compatible with their development needs.

The representatives of a number of developing countries (Algeria, Argentina, Bangladesh, Cuba, Egypt, Ghana, India, Indonesia, Iran, Iraq, Nicaragua, Nigeria, Peru, Romania, Saudi Arabia, Sudan, Tanzania, Viet Nam, and Democratic Yemen) intervened in the debate to support the statement by the spokesman for the Group of 77 and to draw the attention of the Board to specific problems. The representative of Bangladesh expressed his authorities' concern about the lack of progress in the establishment of a complementary facility to compensate for commodity export earnings shortfalls. The representative of Ghana was gratified at the recent conclusion of the negotiations on a Fourth International

Cocoa Agreement and at the inclusion in this agreement of a number of novel features which appeared "to mark the beginning of a new generation of commodity agreements." The representative of Nigeria explained that his authorities had launched recently a national economic recovery program designed "to minimize dependence on imports, and to enhance and boost the non-oil export base of the economy." Within the framework of this program his government had decided that only 30 percent of the country's export earnings should be devoted to debt service payments. However, with the recent sharp decline in oil prices "it was no longer certain whether the 30 percent target remained realistic or attainable." The representative of Peru dwelt upon his country's current balance of payments situation and its relationship with the Fund. Because full debt service payments had become unbearable, the authorities decided to limit such payments to 10 percent of Peru's export earnings. This measure notwithstanding, there would be a large loss of foreign reserves in 1986 and this had impinged upon the country's ability to pay in full almost US\$200 million of arrears to the Fund. A partial payment to the Fund had not prevented the latter from declaring Peru ineligible to use its resources. His authorities deplored the inflexibility and rigidity of the Fund in this regard, but had decided to remain a member in the hope that the Fund as well as other financial institutions "would create urgently a mechanism to help countries that, due to external conditions, were unable to meet their immediate financial obligations."

The spokesman for Group B was pleased with the analytical quality of the Trade and Development Report, 1986, which had largely maintained the standards set the previous year. He felt, however, that the usefulness of the report would have been enhanced if more emphasis had been put on the critical role of national policies in the development process, and on the contribution that the most advanced developing countries could make to create an international environment more conducive to growth and development. Turning to the policies pursued by the OECD countries, he recalled that several years ago these countries had adopted a medium-term strategy which aimed at reducing inflation, establishing conditions for a recovery in business confidence, and promoting investment and growth. Most of the OECD countries had made significant progress in achieving these objectives. While this medium-term strategy remained valid, it had to be recognized that the scope for reflationary policies was limited even though a certain degree of flexibility was necessary depending on the situation of each country. As regards the debt problems of the developing countries, he recognized that these problems should be dealt with within a development context and that an increase in financial flows to the indebted countries was important in this respect. However, he added, it was clear that the "injection of major new financing flows without policies which could confidently be expected to produce increased debt servicing capacity could only be a recipe for bigger debt problems in the future." He, therefore, reiterated the support of his constituents for the Baker

proposal of October 1985, which called for the adoption of adequate adjustment measures by the indebted countries combined with increased foreign financial assistance.

The representative of the United States said that the efforts to strengthen UNCTAD had not been fruitless. UNCTAD was beginning to pull away from some of the dogma that had long dominated its thinking on development problems. While he welcomed the improvement in the quality of the Trade and Development Report, he regretted he could not say the same for other reports; for instance, the report on trade relations among countries having different economic and social systems 1/ essentially sought to excuse the communist countries of Eastern Europe for their failure to contribute in any meaningful way to the economic well-being of the developing countries. A major shift was underway in economic thinking on development problems, as there was widespread skepticism about statist solutions, excessive central planning, and government interference. Developing countries which had adopted more market-oriented policies had been rewarded by much higher rates of growth than those committed to statist schemes. The United States, he concluded, would help developing countries which were attempting to help themselves in order to ensure that such assistance would be used effectively.

The spokesman for the European Communities said that in the OECD countries most of the main economic indicators had further improved in recent months, but a number of serious problems persisted which could complicate efforts to sustain non-inflationary growth in the longer run. In the developing world the picture was mixed as some countries recorded healthy growth rates while most others continued to face stagnant economic prospects. He believed that assessment of world economic prospects embodied in the Trade and Development Report, 1986 was unduly pessimistic. Present conditions were favorable for a significant increase in economic activity in industrialized countries, which would result in an improvement of the international economic environment. This in turn was likely to facilitate the implementation of the new debt strategy. Turning to development in commodity markets, he said that problems arising in this area should be dealt with through an approach, on a case-by-case basis, which would combine programs aimed at encouraging diversification, the conclusion of price stabilization agreements and the provision of adequate compensatory financing. In this context he recalled that the EC had decided to extend Stabex assistance to lesser developed countries which were not signatories to the Lome Convention.

The spokesman for the Nordic countries suggested that the debt crisis should be dealt with within a coherent growth strategy to supplement the traditional case-by-case approach, and should include extension of new credits with longer maturity, the rescheduling of all

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1/ TD/B/1103.

loans with extended grace periods, and the reduction of interest margins. The IMF and the World Bank should continue to play a central role in this strategy and should be provided with increased resources. It was urgent to reach prompt agreement on an adequate replenishment of IDA and on a substantial increase in World Bank capital. He reiterated continuous support for the improvement of the functioning and stability of commodity markets through the conclusion of price stabilization agreements, and when such agreements were not feasible or desirable through other forms of producer/consumer cooperation.

The representative of Canada said that the failure of certain developing countries to share fully in the recent world economic recovery had been due not only to external factors, but also to inadequate domestic policies. The developing countries, therefore, should continue to adjust their economies to the changing international economic environment "through the implementation of outward-looking and efficiency-oriented policies." As regards the debt crisis, he considered that the case-by-case approach had proven to be flexible and sensitive to the different circumstances of the debtor countries. Without modifying this approach, it was essential that the developing countries receive adequate financial support as they continued to "put their houses in order." The representative of Australia said that the recent deterioration in the terms of trade of agricultural commodity exports had affected adversely not only the developing countries but also the developed commodity exporting countries. In this context, he sharply criticized the agricultural policies of the major industrialized countries. With regard to the serious debt problems facing many countries, his authorities continued to believe that a case-by-case approach remained the most practical. The representative of Japan agreed that a lasting solution to the debt problems of the developing countries required not only adjustment and sustained growth in these countries, but also the provision of adequate financial resources. In this context, he welcomed the establishment of the Structural Adjustment Facility within the Fund and strongly supported an early replenishment of IDA.

The spokesman for Group D said that the international economic situation had not improved in the last year. This was especially true for the developing countries where "structural adjustment, promotion of the private sector, and stronger integration into the market economy system had not yielded the promised favorable result." A lasting improvement of the world economic situation depended crucially on the establishment of "a system of international economic security." The views expressed by the Group D spokesman were echoed by the representatives of the socialist countries who intervened in the debate (Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Poland, and the U.S.S.R.).

The representative of China stated that over the past year, while the economy has recovered further in the West, the economic situation of developing countries had remained bleak as the prices of non-oil

commodities had dropped to their lowest levels since the Great Depression and the debt crisis had not abated. He noted that stabilizing the prices of primary products and ensuring reasonable export earnings by developing countries were urgent issues, and in this connection he called on countries to ratify the Common Fund Agreement. With respect to the debt crisis, he said that the Baker Plan contained positive elements, including the acknowledgement that joint solutions to these problems should be sought by the creditor and debtor countries and the international financial institutions. However, he indicated that the Baker plan fell considerably short of what was needed to resolve the debt crisis because "the loans it envisaged were both inadequate in amount and stringent in terms."

4. Protectionism, structural adjustment and the international trading system

The spokesman for Group B said that his constituents did not share some of the views expressed in the UNCTAD Secretariat report on the multilateral trading system. 1/ In particular, they could not subscribe to the view that the developed countries were solely responsible for the current problems confronted by the system and should therefore bear the burden of solving them. They also felt that the Secretariat's insistence on making special and differential treatment for all developing countries a binding obligation on GATT ran counter to the need to preserve the unconditional MFN principle. Finally, they did not agree with the report's conclusion that, pending greater consensus on the necessary changes to be made in the system, a new round of trade negotiations was premature. They considered that all countries had suffered from protectionism and that they had all much to gain from a thorough liberalization of the system which could be achieved through a new round of multilateral trade negotiations.

Turning to the Secretariat report on the role of services 2/ in development, the spokesman for Group B said that while the report was helpful some of the approaches it pursued were highly questionable. For instance, the report unduly generalized about the situation of the service sector in the developing countries without taking into account differences among them in size, location, population, service sector development, and economic strength. He also had serious difficulties with the report's suggestion that the "infant industry" argument should be applied by developing countries to the service sector, because he was convinced that liberalization of the service sector could be beneficial for those countries, including giving local manufacturing access to services that were otherwise unavailable or were more efficient than those available locally.

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1/ TD/B/1101.

2/ TD/B/1100.

The representative of the United States complained that the Secretariat report on the international trading system gave scant attention to the important contribution to trade expansion that the preferential treatment granted to developing countries had made over the years and criticized the suggestion that developing countries should adopt an "infant industry" approach to strengthen their service sectors.

The spokesman for the European Communities recognized the need for adapting the international trading system to new circumstances, and he felt that this could be achieved through a new round of multilateral trade negotiations. With respect to services, he thought that the Secretariat report contained a useful analysis of the links between services and development. He noted, however, that the report was incomplete since it did not deal with progress made in improving the data base and provided little information on the national studies that were being undertaken with the assistance of the Secretariat.

The spokesman for the Nordic countries fully recognized the need for a strict application of existing GATT rules and for appropriate improvements to these rules. They therefore attached great importance to the forthcoming multilateral trade negotiations. They felt that "UNCTAD had an important role to play in the improvement of the international trading system, for example, through fact finding and the preparation of analytical studies, especially on the situation and interests of developing countries."

The representative of Australia stated that the international trading system had suffered from serious shortcomings, including "the unequal and unfair treatment of agricultural production and export subsidies, the increasing use of nontariff measures, including grey area measures, the abuse of safeguard rules, tariff escalation, etc." A new round of multilateral trade negotiations was necessary to restore the ability of the system to provide sustained trade liberalization and growth. The difficulties in the system, he noted, were especially severe in world agricultural trade owing to massive and increasing levels of domestic agricultural production and export subsidization by the major industrialized countries. Such policies, he stated, had reduced market access and caused serious destabilization of world agricultural and other commodity prices. The solution, he suggested, lay in the phasing out of agricultural export subsidies, and of all other measures that restricted access and distorted trade in agricultural products. In this connection, he referred at great length to the declaration recently adopted by Ministers and representatives of 14 "key fair-trading" countries in agriculture in Cairns, Australia.

The representative of Canada said that the Secretariat report on the international trading system was too harsh in its criticism of the GATT and failed to appreciate the stake which all trading nations had in the GATT. He recalled that his authorities fully supported the prompt launching of a new round of multilateral trade negotiations; the most advanced developing countries, as well as developed countries, had a

responsibility to participate in the new round which, in the view of his Government, should include not only trade in goods but also trade in services.

The spokesman for the Group of 77 said that the Secretariat report on the international trading system rightly emphasized that trade relations were increasingly based on "power relationships rather than respect for contractual commitments." As an example of this, he mentioned, inter alia, "unilateral deviations from unconditional MFN, the application of certain Tokyo Round Codes on a conditional basis, alteration of the autonomous and non-reciprocal nature of the Generalized System of Preferences (GSP) and the increasing resort to restrictive business practices by transnational corporations." To correct the situation, he reiterated the proposal made by his Group in UNCTAD and other competent fora regarding the need for immediate action on standstill and rollback of protectionist measures, the conclusion of a comprehensive agreement on safeguards on a MFN basis, and the application, as a matter of priority, of trade liberalization measures by developed countries to products of export interest to developing countries such as agricultural and tropical products, natural resource products, and textiles and clothing. Turning to the question of trade in services, he felt that it would be premature to develop a multilateral framework on such trade as an integral part of the international trading system, because for most developing countries, the question of services was "a development problem which could not be assessed simply in terms of exchange on the basis of comparative advantage." This latter view was strongly echoed in the separate statements made by the representatives of Brazil and India.

The spokesman for Group D said that since the last review of the international trading system by the Trade and Development Board, protectionist measures had continued to proliferate. He added that underlying problems in the system should not be attributed to its principles and rules, but rather to the non-observance of these principles and rules by certain countries. Against this background, he believed that the forthcoming round of multilateral trade negotiations could play an important role in the restoration of the trading system provided that "the new round be open to any interested country wishing to participate in it, as had been the case in the Tokyo Round."

The representative of China expressed the hope that the forthcoming round of multilateral trade negotiations would serve to improve the international trading system and promote liberalization of world trade. He agreed that trade in services was playing an increasingly important role in economic development but he stressed that international discussions on this subject matter should take full account of the special needs of the developing countries which should be provided with adequate means for developing their service sectors.

5. Agenda, organization, venue, and duration of UNCTAD VII

The Secretary-General of UNCTAD reported that he had held intensive informal consultations with all interested parties in pursuance of the decisions adopted by the Trade and Development Board at its thirty-second session, and that these consultations had contributed to the emergence of a number of points of convergence among the participants. He, therefore, made several suggestions regarding the possible contents of the agenda and the organization of the work of the Conference which, in his view, should include a senior officials phase of about two weeks duration followed by a ministerial phase of about one week.

Following intensive discussions of these proposals, the Group of 77 tabled a draft agenda for the UNCTAD VII, whose main item was formulated as follows: "Revitalizing development, growth and international trade, in a more predictable and supportive environment, through multilateral cooperation: Assessment of relevant economic trends, and of global structural change, and appropriate formulation of policies and measures, addressing key issues in the following interrelated areas: (a) resources for development, including financial and related monetary questions; (b) commodities; (c) international trade; (d) problems in the least developed countries, bearing in mind the Substantive New Program of Action [SNPA] for the 1980s for the Least Developed Countries."

The precise meaning of the above was clarified in an annexed set of understandings <sup>1/</sup> which indicated, inter alia, that in the assessment of relevant economic trends due attention should be paid "to the role of the private sector subject to international economic systems, development objectives, and policies;" that while the assessment of market economic trends should be, to the extent possible, a common assessment by participants, it could also include statements of divergent assessments with regard to matters on which consensus could not be reached; and that the review of the problems facing the least developed countries should lead to agreement on intensified efforts for accelerating the implementation of the SNPA. Group B objected to the text proposed by the Group of 77 on the grounds that any reference to monetary questions should be accompanied by a careful acknowledgement of the primary role of the Bretton Woods institutions in this field; that the assessment of the role of private enterprise in the development process should be as broad as possible; and that the interval between the successful mid-term review of the SNPA in 1985 and UNCTAD VII was not sufficient to warrant a further in depth discussion of the program. The Board then decided to suspend the session without voting on the proposal of the Group of 77 in order to give more time to delegations for further informal consultations.

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<sup>1/</sup> TD/B/L.812.

This new round of consultations made it possible for the Chairman of the Board to table a compromise draft resolution when the session was resumed on October 3. 1/ This text recommended to the General Assembly that UNCTAD VII be held in Geneva for a duration of about three weeks during July 6-31, 1987, and be divided into two phases: a senior official phase of two weeks followed by a ministerial phase of one week. The provisional agenda for UNCTAD VII annexed to the proposed resolution was the same as that previously suggested by the Group of 77 but the list of understandings, also annexed to the resolution, diverged substantially from the proposals of the Group of 77. The understanding regarding the role of the private sector in the development process did not include a reference to national economic systems, development objectives and policies. The understanding regarding the possibility of including divergent assessments of relevant economic trends in the final assessment of the conference was dropped and a new understanding was introduced which stipulated that "monetary questions will be considered in the context of the mandate of UNCTAD and without prejudice to the competence of the IMF and other international financial organizations."

The text proposed by the Chairman was finally approved by a vote with the U.S. voting against and all other participants voting in favor.

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1/ TD/B/L.815 attached.



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## United Nations Conference on Trade and Development

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TRADE AND DEVELOPMENT BOARD  
Thirty-third session  
Geneva, 1 September 1986  
Agenda item 5

### SEVENTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: PREPARATIONS FOR THE SESSION

#### Seventh session of the United Nations Conference on Trade and Development Provisional agenda, place, date and duration

#### Draft decision submitted by the President

#### The Trade and Development Board,

Recalling General Assembly resolution 1995 (XIX), section II, paragraph 2, and General Assembly resolution 40/189, and further recalling Board decisions 336 (XXXII) and 337 (XXXII), relating to preparations for the seventh session of the United Nations Conference on Trade and Development,

1. Adopts the provisional agenda for the seventh session of the United Nations Conference on Trade and Development annexed hereto (annex I) together with its understandings contained in annex II;
2. Recommends to the General Assembly that the seventh session of the Conference be held at its headquarters in Geneva for a duration of about three weeks between 6 and 31 July 1987, including a final phase of one week at which the work of the session would be concluded by Ministers;
3. Takes note of the desire of the Latin American Group to hold the eighth session of the Conference in one of the countries in Latin America on the understanding that the final decision on the venue in Latin America will be taken at the appropriate time. In this connection, the Board notes the interest of Cuba to host the eighth session of the Conference.
4. Recommends to the General Assembly to accord priority to the seventh session of the United Nations Conference on Trade and Development in relation to other United Nations activities in Geneva.

Annex I

PROVISIONAL AGENDA FOR THE SEVENTH SESSION OF THE  
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

1. Opening of the Conference
2. Election of the President
3. Constitution of sessional bodies
4. Election of Vice-Presidents and the Rapporteur
5. Credentials of representatives to the Conference:
  - (a) Appointment of the Credentials Committee
  - (b) Report of the Credentials Committee
6. Adoption of the Agenda
7. General debate
8. Revitalizing development, growth and international trade, in a more predictable and supportive environment, through multilateral co-operation: Assessment of relevant economic trends and of global structural change, and appropriate formulation of policies and measures, addressing key issues in the following interrelated areas:
  - (a) Resources for development, including financial, and related monetary questions;
  - (b) Commodities;
  - (c) International trade;
  - (d) Problems of the least developed countries, bearing in mind the Substantial New Programme of Action for the 1980s for the Least Developed Countries.
9. Other business
10. Adoption of the report of the Conference to the General Assembly

Annex II

UNDERSTANDINGS

- I. In the assessment of relevant economic trends, due attention should be paid to the role of the private sector in development.
  
- II. The formulation relating to "a more predictable and supportive environment" is intended to subsume the interest expressed in referring to the need for security, dependability and confidence-building in the world economic environment, as well as for equity and justice in international economic relations.
  
- III. Monetary questions will be considered in the context of the mandate of UNCTAD and without prejudice to the competence of the International Monetary Fund and other international financial institutions.
  
- IV. Sub-item (c) - "international trade" - includes issues arising in trade relations among countries having different economic and social systems.