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RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/51/602)]

51/169. Commodities

The General Assembly,

Recalling its resolutions 45/200 of 21 December 1990, 47/185 of 22 December 1992, 48/214 of 23 December 1993 and 49/104 of 19 December 1994, and stressing the urgent need to ensure their full implementation,

Recognizing that in many developing countries, in particular African countries and least developed countries, the commodity sector remains the principal source of export revenues and of the creation of employment, income and savings, and a driving force of investments and contributor to growth and development,

Also recognizing the need for a better functioning of commodity markets and the necessity of stable and more predictable commodity prices, including searching for long-term solutions,

Mindful of the need for developing countries, especially African countries and least developed countries, to diversify their economies, in particular the commodity sector, with a view to modernizing their production, distribution and marketing systems, enhancing productivity and stabilizing and increasing their export earnings,

Concerned about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes,

1. Welcomes the outcome of the ninth session of the United Nations Conference on Trade and Development, including the Midrand Declaration and the

document entitled "A Partnership for Growth and Development",¹ related to the issues of commodities;

2. Emphasizes the need for developing countries that are heavily dependent on primary commodities of continuing to promote a domestic policy and an institutional environment that encourage diversification and enhance competitiveness;

3. Notes the need expressed by developing countries, in particular the commodity-dependent developing countries, for stable and more predictable commodity prices, in the face of instability and decline in real terms of the prices of many commodities;

4. Expresses the urgent need for supportive international policies to improve the functioning of commodity markets through efficient and transparent price formation mechanisms, including commodity exchanges, and through the use of commodity price risk management instruments;

5. Urges developed countries to continue to support the commodity diversification efforts of developing countries, especially African countries, in a spirit of common purpose and efficiency, inter alia, by providing technical and financial assistance for the preparatory phase of their commodity diversification programmes;

6. Reiterates the importance of maximizing the contribution of the commodity sector to economic growth and sustainable development in commodity-dependent developing countries and, in this respect, stresses, inter alia, that:

(a) Trade-distorting policies and practices, including tariff and non-tariff barriers, tariff escalation and obstacles to competition, have a negative effect on the ability of developing countries to diversify their exports and to undertake the requisite restructuring of their commodity sector;

(b) Expansion of South-South trade in commodities offers opportunities for intersectoral linkages within and among exporting countries;

(c) In line with Agenda 21² and the Rio Declaration on Environment and Development,³ Governments should have as their objective to ensure that trade and environmental policies are mutually supportive so as to achieve sustainable development; in so doing, their environmental policies and measures with a potential trade impact should not be used for protectionist purposes;

¹ See A/51/308.

² Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (A/CONF.151/26/Rev.1 (Vol. I and Vol. I/Corr.1, Vol. II, Vol. III and Vol. III/Corr.1)) (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: Resolutions Adopted by the Conference, resolution 1, annex II.

³ Ibid., annex I.

(d) The issues related to commodities in the context of sustainable development should be fully taken into account by all overall review and appraisal machinery of the implementation of Agenda 21 adopted by the United Nations Conference on Environment and Development;

(e) There is a need to promote research and development, to provide infrastructure and support services and to encourage investment, including joint ventures in developing countries engaged in the commodity and commodity-processing sectors;

7. Emphasizes the importance for developing countries to process a significant part of their commodities, and in that regard stresses the importance of new market opportunities for their processed and semi-processed commodities;

8. Encourages the Common Fund for Commodities, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development and other relevant bodies, to direct its commodity development programmes more towards commodity sector diversification projects, as well as to promote commodity market development in the developing countries, with particular focus on the needs of least developed countries, and to explore effective ways and means of using the resources of the First Account of the Common Fund;

9. Urges producers and consumers of individual commodities to intensify their efforts to reinforce mutual cooperation and assistance;

10. Requests the Food and Agriculture Organization of the United Nations and other relevant international organizations to continue to provide technical support to the basic food sector of developing countries, in particular net food importing countries, inter alia, in meeting their commitments under the Uruguay Round agreements;

11. Welcomes the technical cooperation activities that will be undertaken by the United Nations Conference on Trade and Development, in collaboration with the World Trade Organization and other concerned international organizations in the field of international commodity trade;

12. Requests the United Nations Conference on Trade and Development, within the framework of its programme of cooperation with the World Trade Organization, to provide analytical information related to the Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-importing Developing Countries,⁴ and encourages it to continue to assist, in accordance with the outcome of its ninth session, in vertical and horizontal diversification in commodity-dependent countries and to promote the use of risk management in favour of producers and exporters;

13. Requests the Secretary-General of the United Nations Conference on Trade and Development to report to the General Assembly at its fifty-third session on world commodity trends and prospects, with particular emphasis on

⁴ See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

commodity-dependent developing countries in accordance with the outcome of the ninth session of the Conference;

14. Decides to include the question of commodities in the provisional agenda of its fifty-third session.

86th plenary meeting
16 December 1996