DECLARATION ON TRADE AND DEVELOPMENT

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The Conference of Ministers,

Having reviewed the report on the third session of the United Nations Conference on Trade and Development,

Recalling the Declaration of the OAU Assembly of Heads of State and Government at its ninth session in respect of the third session of the United Nations Conference on Trade and Development,

Having considered the report of the Seventh ECA/OAU Joint Meeting on Trade and Development (E/CN.14/L.76),

Adopts the following Declaration:

(1) The Conference of Ministers expresses its deep concern and disappointment that the results achieved at the third session of the United Nations Conference on Trade and Development are not commensurate with the development needs and requirements of African countries. In most fields these results fall far short of the Action Programme adopted at the African Ministerial Meeting preparatory to UNCTAD III.

(2) The Conference of Ministers reaffirms its faith in the Addis Ababa and Lima Action Programmes, and strongly urges African countries to continue to strive for their implementation.

(3) However meagre and limited in scope the achievements of UNCTAD III are, it is important to ensure that the latter are implemented and to prevent possible attempts, at the international level, to render them inoperative or less effective.
(4) With a view to implementing those parts of the Action Programme that did not receive favourable consideration at UNCTAD III, African countries will have to rely more and more on joint action, aimed, not only at ensuring that the international community takes the necessary steps towards meeting the requests contained in the Action Programme, but also and more especially, in implementing, at national, sub-regional and regional levels, the relevant recommendations thereof.

(5) Such an approach appears to be all the more necessary as the overall economic situation in the region since the last meeting of the Conference does not show any visible signs of improvement. For African countries as a whole, preliminary data indicate that the rate of growth in 1971, the first year of the Second United Nations Development Decade, falls well short of the 6 per cent target, and it is also below the rate obtained by developing countries as a whole. During the early part of the Second Development Decade, the overall terms of trade for the continent continued to deteriorate. The basic position therefore shows little change from that which existed at the end of the First Development Decade.

(6) While pursuing all necessary efforts to promote effective international co-operation toward the achievement of these aims, African countries need to give particular emphasis to self-reliant activities in all specific fields.

Commodity problems and policies and the Special Meeting of the Committee on Commodities

(7) Bearing in mind the forthcoming international commodity negotiations and consultations, renewed efforts must be made to reinforce co-operation among developing countries generally, and African countries in particular. To this end, specific commodities of particular interest to African countries should be selected and new negotiating techniques should be promoted.

(8) International organizations of commodity exporting developing countries, including African ones, should be established with respect to both mineral and agricultural commodities. The experience of already-established organizations such as the Organization of Petroleum Exporting Countries, the African Groundnut Council, the Cocoa Producers' Alliance and the Inter-African Coffee Organization should be thoroughly analysed with a view to drawing helpful conclusions from this source.

(9) African countries need to define a unified strategy in respect of both the forthcoming special meeting of the Committee on Commodities and the multilateral trade negotiations keeping in mind the specific nature and problems of each commodity. It is important that both consultations and negotiations be approached in a co-ordinated manner, as regards the specific objectives to be sought and also that African countries present a common front in trying to reach these objectives. In this connexion, the African countries reaffirm the positions which they took at earlier meetings at Addis Ababa, Lima and Santiago concerning access to markets, pricing policy, diversification, marketing and distribution systems, competition between natural products and synthetics and substitutes and the role of foreign enterprises in commodity trade.
(10) It is in this spirit that African countries welcome the adoption, of an International Cocoa Agreement in which many African countries have a vital stake, and expect that all countries will join in this common endeavor so as to make sure that the Agreement comes into force and that its provisions are put into practice. Furthermore, the African countries request the secretariats of ECA and OAU, in so far as their resources permit, to undertake studies of and to examine closely those problems associated with commodities of export interest to the African countries, in order to assist the latter in defining their position at the forthcoming inter-governmental consultations on specific commodities.

Manufactures and semi-manufactures

(11) The African countries are urged to participate actively in the work of the Special Committee on Preferences, with a view to ensuring that the various schemes are improved in accordance with the suggestions which have been made so as to take fuller account of tariff and non-tariff barriers, restrictive trade practices, adjustment assistance measures, market structures, prices, etc.

(12) Within the framework of self-reliant action African States should, in accordance with the Action Programme adopted by the African Ministerial Meeting and in conformity with resolution 48(III) of the third Session of UNCTAD, undertake efforts to identify products and projects suitable for intra-African trade expansion with a view to opening early in the Second Development Decade negotiations for mutually beneficial preferential trade arrangements. The Protocol concluded between sixteen developing countries within GATT on reciprocal trade concessions offers a good example for Africa to follow.

(13) Action needs to be taken for the setting up of African multinational industries in order to achieve the following advantages, inter alia:

(i) Economies of scale through joint national and multinational industries based on enlarged markets;

(ii) The strengthening of industrial competitiveness through lower unit cost of production;

(iii) The pooling of national, financial and human resources as well as technical know-how;

(iv) The expansion of intra-African trade and the promotion of exports to non-African markets through the creation of joint ventures.

Trade relations with socialist countries

(14) African countries and the socialist countries of Eastern Europe are called upon to make mutual efforts in order to implement UNCTAD resolutions 15(II) and 53(III), with a view to exploiting the existing trade potential amongst them and to diversify their overall patterns of trade and increase this volume of trade.
(15) African countries should endeavour to promote trade relations with socialist countries, bearing in mind the new trends in world trade.

Export promotion

(16) Increased efforts should be made to expand intra-African trade. To this end, special measures should be taken with a view to facilitating the exchange of ideas and experience in African trade. Exhibitions and trade fairs, such as the OAU All-Africa Trade Fair held in February 1972 in Nairobi, should be organized so as to promote African products in the region. Consultations and negotiations should also be undertaken at the sub-regional and regional levels with a view to overcoming the various obstacles and problems that presently hamper the expansion of intra-African trade.

(17) In order to increase their products' access to external markets, African countries should speedily establish national export promotion centres with technical and financial assistance from regional and international institutions concerned.

(18) Furthermore, developed countries are invited to eliminate progressively obstacles which hamper the access of African products to developed markets and consider the necessary adjustment assistance measures.

Development finance and aid

(19) While the importance of external assistance is realized, African self-reliance and the need to mobilize domestic resources constitute major elements of the long-term solution to the crises being faced in the field of development assistance.

(20) There is an urgent need for more effective co-operation in the financial field at the sub-regional level. The funding of sub-regional projects by the ADB, and the tapping of surplus resources available within the continent for sub-regional projects, would represent important steps towards this goal.

(21) African countries need to make a thorough review of the philosophy and concept of "aid" which they receive. A study should be undertaken of the economics of assistance in order to determine the real volume of aid. The notion of generosity must be counterbalanced by the notion of co-operation between equal partners based on reciprocal interest. Joint action should be undertaken by both developed and developing countries to inform world public opinion.

Special measures for the least developed, land-locked and island countries

(22) The international community should take immediate measures to start implementing the relevant resolutions adopted at the third session of UNCTAD in favour of the least developed, land-locked and island countries. It is important that African countries themselves, in a spirit of solidarity and self-reliance, should contribute to one another's development.
(23) The meeting recommended that African countries taking part in the Special Committee on Preferences should ensure that the GSP is improved in order to take into consideration the special needs of the least developed countries. African members of the Economic and Social Council and the UNDP Governing Council should work on the possibility of creating a special fund for the least developed countries or of using the United Nations Capital Development Fund first and foremost for the least developed countries.

**Shipping**

(24) The Conference of Ministers reaffirms the need for African countries to pursue the following objectives:

(i) Development of merchant marines;

(ii) Development of ports;

(iii) Protection against arbitrary and multilateral freight increases by maintaining constant consultation effective enough to counteract any such action.

(25) Every effort should be made to encourage the institution and operation of shippers' councils or equivalent bodies, and the establishment of effective consultation machinery. Such machinery should include government agencies, which are to ensure that their trade will be facilitated rather than hampered by shipping practices.

(26) Attainment of these objectives would be facilitated by action on a regional level within the framework of a policy of self-reliant action.

(27) African countries should ensure that the decision taken by the third session of UNCTAD on a code of conduct of liner conferences (resolution 56(III) is acted upon so that real negotiations on the substance of a code can begin without undue delay.

**Transfer of technology**

(28) African countries should:

(a) Realign their education and training systems to meet the needs and demands of a progressively developing economy and society;

(b) Create or strengthen the necessary infrastructure for development in the field of science and technology, including the establishment of joint research centres;

(c) Strengthen their regional co-operation in the field of science and technology, including the training and exchange of African expertise;

(d) Co-operate among themselves and with other developing countries in exchanging technological information, particularly in relation to adaptability of imported technology and indigenous technology;
(e) Participate actively in the work of the United Nations Committee on Science and Technology for Development and in the Inter-governmental Group on Transfer of Technology.

(25) African Governments should take appropriate steps to stop or reduce the "brain drain" now affecting African countries with a view to ensuring that the economic potential of the region is exploited through African technology and technologists.

Economic co-operation among developing countries

(30) Economic co-operation among African countries will not make the hoped for contribution to the economic development of the region, if Governments of the region are not prepared to show the necessary political will to overcome the difficulties that have so far stood in the way of economic integration among them. Governments should be prepared to accept compromises in view of the need for specialization at the sub-regional and regional levels.

(31) While the need to further trade liberalization among African countries should be given due recognition, co-operation among African countries should not be limited to that field. For intra-African trade to increase in a significant way, it needs to be closely linked to a deliberate policy in other fields of economic co-operation such as finance, industry, agriculture and infrastructure.

(32) African countries should do their utmost to implement the relevant parts of UNCTAD resolution 4C(III) if only to demonstrate in an effective way their willingness to implement UNCTAD resolutions, in so far as it is within their competence and means to do so.

(33) African countries should act on the invitations addressed to them to hold confidential bilateral consultations among themselves during the meeting of the Conference of Ministers. To that end, competent specialists and trade experts should be included on the delegations in order to exchange information and to conclude any arrangements that might be required.

Multilateral trade negotiations

(34) African countries should make thorough preparations for the forthcoming multilateral trade negotiations. The secretariats of ECA and OAU in cooperation with UNCTAD and GATT are called upon to give them all necessary assistance, particularly in drawing up a more precise definition of techniques, modalities and ground rules as appropriate for their products.

(35) With a view to marshalling maximum bargaining power, African countries should present a common front both in the pre-negotiation stage and throughout the negotiations. Care should be taken to ensure that, in accordance with the principles put forward by the developing countries in UNCTAD resolution 4C(III), African countries collectively or individually shall not suffer, directly or indirectly, adverse or prejudicial effects as a result of these negotiations. On the contrary, the negotiations shall provide the African countries with additional benefits that represent a substantial and meaningful improvement of their position in international trade so that they secure
an increasing share in the growth of international trade commensurate with the needs of their economic development on the basis of non-reciprocity, non-discrimination and preferential treatment. If the preferential advantages enjoyed by African countries are adversely affected by the results of these negotiations, the developed countries shall take additional measures to compensate the developing countries so affected.

(36) African countries should draw up a common stand for the consultations within UNCTAD and the multilateral trade negotiations.

International monetary situation

(37) Any contemplated changes in the international monetary system must take into consideration the interests of the developing countries. To that end, it is essential that African countries should participate fully in the reform of the international monetary system.

(38) In view of the peripheral manner in which the implications of world monetary and trade problems for African economies are dealt with at the international level, African countries should envisage the creation of an African body which would undertake in-depth studies of monetary problems.

(39) As decided by the OAU Assembly of Heads of State and Government at its ninth session in June 1972 and as recommended by the Board of Governors of ADB at their annual meeting in July 1972, African countries should convene a Conference of African Ministers of Trade, Development and Finance to strengthen the common African stand on forthcoming international trade and monetary negotiations. The conference should consider in particular the following inter-related problems:

(i) The drafting of a Charter of Intra-African co-operation as an expression of political will to determine and implement those effective measures which must be taken in order to promote Intra-African co-operation in the fields of trade, finance, industry, agriculture and infrastructure;

(ii) The multilateral trade negotiations;

(iii) The inter-governmental consultations on specific commodities;

(iv) The negotiations for the establishment of a new world monetary system; and

(v) The implications for African countries of the enlargement of the European Economic Community.