

UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL



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ECONOMIC COMMISSION FOR AFRICA

Report on Implementation of Resolution 135 (VII)

1. Resolution 135 (VII) of the ECA endorsed the establishment of the ad hoc committee of fourteen members as stipulated in resolution ECOS/RES.14(11) of the Economic and Social Commission of the Organization of African Unity, and requested the Executive Secretary of the ECA to co-operate with the Administrative Secretary-General of the OAU in facilitating the work of the ad hoc committee. Resolution 135 (VII) also requested the Executive Secretary of the ECA to intensify studies on the basis of the conclusions in document E/CN.14/316 and to elaborate concrete proposals and recommendations on all issues of particular interest to Africa resulting from the United Nations Conference on Trade and Development.

2. In pursuance of that part of resolution 135 (VII) requesting ECA to cooperate with the OAU, the Executive Secretary of the ECA wrote to the Secretary General of the OAU on 3 March 1965, as follows:

"I understand that the first meeting of the United Nations Trade and Development Board is tentatively scheduled for 5-23 April 1965.

"As part of the assistance which ECA is to provide to the ad hoc Committee, I will be pleased to supply the documentation at present available in this secretariat bearing on the subject of the United Nations Conference on Trade and Development and its follow-up. Please let me know what the plan of operations of the Committee is, so that I can direct the services of the ECA secretariat accordingly."

3. Virtually all of the work of the ECA secretariat in the field of trade has been of relevance to that of the UN Conference on Trade and Development, being concerned with Africa's trade with third countries as well as with intra-subregional and regional trade in the context of African economic integration. A selected list of ECA studies published

up to the time of this writing, which can be of use to the African States members of the Trade and Development Board, appears in the annex.

4. ECA's work programme for 1965/67 is also directly relevant. A brief summary of the main studies in the field of trade projected for the next two years appears below:

- (a) Prospects of subregional industrialization and intra-and inter-subregional trade in manufactures and agricultural produce in Africa, 1965 - 1975.

On the basis of raw material availability and realistic projections of the gross domestic products of 35 African countries (exclusive of Gambia and South Africa) possibilities of substituting domestic manufactures and agricultural produce for imported products will be statistically examined. Various realistic assumptions are made leading to alternative results. Future demand for foodstuffs will be evaluated on the basis of removing diet deficiencies by production within Africa. Inter-and intra-regional trade can be inferred from these projections, covering the ten-year period, 1965 - 1975.

- (b) Studies on prospects of free trade in specific sectors on a sub-regional or regional basis (iron and steel, fertilizers, textiles, pulp and paper, etc.)

Some work has been already done in this area, and it will be continued in conjunction and parallel with further industry studies.

- (c) Prospects for African exports to Europe.

- (i) developed market economies
- (ii) centrally planned economies

This study, which is under way, will concentrate on the primary and processed products of major interest to Africa and examine the prospects of securing larger markets, in the light of UNCTAD recommendations concerning non-reciprocal preferences, the elimination of discriminatory preferences between groups of African countries in European markets, and the action and measures recommended to be taken by the developed market economies and centrally planned economies, respectively.

(d) Prospects for Africa's trade with America

(i) North America

(ii) Latin America

Examination of prospects for the expansion of North American markets for major African export products, in the light of UNCTAD recommendations concerning non-reciprocal preferences and action and measures to be taken by developed market economies, and of intensifying Africa's trade with Latin America.

(e) Prospects of increasing Africa's trade with Asia.

This study, which will examine concrete possibilities of mutual expansion of trade between the two regions in specific products, will be prepared in collaboration with ECAFE.

(f) Study on the various types of international commodity arrangements and agreements covering and applicable to specific commodities of interest to Africa.

This study will be prepared in collaboration with FAO and the Committee on Commodities of the UN Trade and Development Board.

(g) Transit problems of land-locked countries.

Studies of the general transit problems of land-locked countries in Africa, and of the specific transit and frontier traffic problems in West Africa.

(h) Maritime transport.

A detailed study has been carried out on shipping facilities in West Africa and stabilization and standardization of freight rates, and a similar study is under way for East Africa.

(i) Invisible trade.

An exploratory study of invisibles in the balance of payments of selected African countries has been started.

(j) Customs problems.

Assistance to African countries in adopting the Brussels nomenclature, already under way in the Gambia, Ghana, Liberia and Sierra Leone, is intended to be extended to East Africa. Comparative studies of rates of customs duties and other import charges, and establishment of uniform systems of classification of customs revenues.

(k) Payments problems.

Continuing analysis of trends in balance of payments difficulties, exchange control operations and fluctuations in the degree of convertibility of African currencies. Studies of methods of promoting closer cooperation between African central banks, in cooperation with the African Development Bank. Continuation of studies on the technical problems of establishment and operation of multilateral payments compensation schemes and a payments union in Africa.

5. Mention must be also made of the seven working parties established by the seventh session of the ECA, including those on intra-African trade and on monetary management and inter-African payments, to secure the implementation of the ECA's decisions in their respective fields.

6. The various studies outlined above will provide, in the course of their progressive implementation, a firm basis for a continuing elaboration by the ECA secretariat of concrete proposals and recommendations on all issues of particular interest to Africa resulting from UNCTAD.

7. In document E/CN.14/316, prepared for the 7th session of the Commission, the secretariat made certain suggestions for action to follow up the first UNCTAD meeting, concerning primary commodities, manufactures, shipping and insurance. In the field of financing, it was suggested that African countries start collecting and analysing information on how their development has been affected by short-term fluctuations in their export earnings and changes in their terms of trade. This would enable them to assess properly the results of the IMF and IBRD studies requested by UNCTAD, regarding compensatory credits and supplementary financial measures for the benefit of developing countries.

8. It was also suggested that African countries should undertake studies of their financial capacity to import, including an appraisal of the impact of their external debt burden, to arrive at estimates of net demand for additional external investment and assistance. In this connexion, serious thought ought to be given to a coordinated channelling of all or a part of external financial aid through multilateral institutions (e.g. the African Development Bank). The economic development of Africa cannot depend entirely, for some time to come, on foreign exchange derived from exports, even allowing for the maximum possible increase resulting from the hoped for expansion of markets abroad, without the necessary inflow of external investment capital and financial aid to provide for the needed capital and consumption imports.

9. Concerted action by African Governments, together with the work done in the ECA, will combine to derive the maximum benefits from the future activities of UNCTAD and its Trade and Development Board. Needless to say, the ECA secretariat stands ready to assist in every possible way the OAU ad hoc committee as well as the African States members of the Trade and Development Board.

ANNEX

A SELECTED LIST OF PUBLICATIONS ON TRADE
OF THE ECONOMIC COMMISSION FOR AFRICA

- Economic Bulletin for Africa (Part A) (issued bi-annually)
Foreign Trade Newsletter (issued quarterly)
African Trade Statistics Bulletin, Series A (direction of trade, issued
quarterly)
Series B (trade by commodities, issued
bi-annually)
The Impact of the European Economic Community on African Trade (E/CN.14/29)
The Significance of Recent Common Market Developments in Latin America
(E/CN.14/64)
The Impact of Western European Integration on African Trade and
Development (E/CN.14/72)
Report of the Working Party on Customs Administration in West Africa
(E/CN.14/138)
Report of the African Meeting on Commodity Stabilization (E/CN.14/205)
Report of the Expert Panel on Transit Traffic in West Africa
(E/CN.14/206 and Add.1)
Information Paper on Recent Developments in Western European
Economic Groupings (E/CN.14/207)
Background Paper on the Establishment of an African Common Market
(E/CN.14/STC/20)
Recent Developments in African Trade (E/CN.14/STC/22)
African Trade with Asia in the Context of the General Problems of
Trade Expansion among Developing Countries (E/CN.14/STC/23)
Bilateral Trade and Payments Agreements in Africa (E/CN.14/STC/24)
Progress Report on Trade Intelligence (E/CN.14/STC/29)
Progress Towards an African Common Market (E/CN.14/261)
Report of the Standing Committee on Trade on its Second Session
(E/CN.14/253 and Corr.1)
Report of the Group of Experts on an African Payments Union
(E/CN.14/262)
United Nations Conference on Trade and Development (E/CN.14/279 and Corr.1)
Intra-African Trade (E/CONF.46/83)
Foreign Trade Plans of Selected Countries in Africa (E/CONF.46/85)
Survey of Monetary Institutions in Africa (E/CN.14/STC/AMA 2)

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Proposals for the Establishment of an African Payments Union
(E/CN.14/STC/APU/7)

Note on the United Nations Conference on Trade and Development
(E/CN.14/316 and Add. 1, 2 & 3)

Note on Free Trade in Pulp and Paper in Africa
(ECA/BTAO/FAO/CONF/SEC PAPER VI)

Trade Promotion in Africa (to be issued)

The Trade of Algeria, Morocco and Tunisia with the Major Economic
Groupings (to be issued)