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86 and 111 of the preliminary list\*REPORT OF **THE** ECONOMIC AND SOCIAL COUNCILLAUNCHING **OF** GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC  
CO-OPERATION **FOR** DEVELOPMENT

GENERAL AND COMPLETE DISARMAMENT

DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

PROTECTION **OF** GLOBAL CLIMATE FOR PRESENT AND FUTURE  
GENERATIONS OF MANKINDINTERNATIONAL CO-OPERATION FOR THE ERADICATION **OF**  
POVERTY IN DEVELOPING COUNTRIES**EXTERNAL DEBT CRISIS AND DEVELOPMENT**

INTERNATIONAL ACTION TO COMBAT DRUG ABUSE AND ILLICIT TRAFFICKING

Letter dated 5 June 1990 from the Chargé d'affaires a.i. of the  
Permanent Mission of Malaysia to the United Nations addressed  
to the Secretary-General

I have the **honour** to transmit herewith the **Arabic**, English, French and Spanish texts of the joint **communiqué** adopted by the First Meeting **of** the Summit Level Group for South-South Consultations and Co-operation/Group of 15, held at Kuala Lumpur **from** 1 to 3 June 1990 (see annex).

★ A/45/50.

I should be grateful if you could **arrange to** have the present letter and its annex circulated as an official document **of** the General Assembly under **items** 12, 41, 58, 82, 83, 84, 85, 86 and 111 of the preliminary list.

**(Signed) HASMY Agam**  
**Ambassador**  
**Chargé d'affaires a.i.**

ANNEX

Joint communiqué adopted by the First Meeting of the Summit  
Level Group for South-South Consultations and Co-operation,  
Group of 15, held at Kuala Lumpur from 1 to 3 June 1990

1. We the **Heads of State or Government**, and Special Representatives of Algeria, Argentina, **Brazil**, Egypt, Indonesia, India, Jamaica, **Malaysia**, Mexico, Nigeria, Peru, Senegal, **Venezuela**, Yugoslavia and Zimbabwe met at Kuala Lumpur from 1 to 3 June 1990 to commence a process of regular consultations and **co-ordination to** enhance co-operation and self-reliance in the context of **an** increasingly interdependent world. A review of the world **situation** and the state of international economic relations **affecting** developing countries is a necessary ingredient to **developing** common **perceptions on** events which have significance to the South for all of us **and** would assist **us** to devise **common strategies**. We regard this **as** imperative **in** order to cope **with the far-reaching** changes taking place at **an** unprecedented pace around **us** and **in** our **countries**.
2. These are **times** of momentous global developments and promising prospects for all countries to **work** together for the Well-being and peace of the world. The easing of East-West **tension**, the political evolution in **Eastern Europe**, the **beginning of** a movement **towards** disarmament, progress in the **resolution** of regional disputes and the growing convergence of views on **development** strategies, **as** well as on the need for closer interaction with the mainstream of the world economy, have created opportunities for **a renewed** thrust to international co-operation for development.
3. Structural **changes are taking** place in the world economy and in international economic relations. Rapid developments in science and technology have **transformed** the pattern of **production**, consumption and trade. The **revolution in communication** technologies has led to an unprecedented **globalization of capital and** other markets. New centres of economic power have emerged. These developments have heightened the interdependence among nations **and** the inter-linkages of issues that require a global approach. A growing **awareness** of threats to the **environment** has further underlined the need for **shared** responsibility for the world's **destiny**.
4. The formation of economic groupings among developed countries could lead to a fragmentation of world trade. This is particularly **so in the context of** the present erosion of the multilateral trading **system**. The contribution of these economic groupings to world trade will critically depend **upon** their external **economic** policies. The successful economic integration should go beyond special and regional arrangements **and** lead to the strengthening of the multilateral **system** offering opportunities **for** all countries.
5. Although **world** trade and output have recorded sustained growth **for** a number of years, the **vast majority** of developing countries **have** witnessed stagnation or declines **in** real terms in their per capita incomes, and economic **and** social infrastructure.

6. We are fully aware of our **responsibility** for the development of our **respective countries**. We are undertaking far-reaching **economic** reforms and structural adjustment **measures**, some of which are often at considerable social and **political** costs in order to **enhance** the competitiveness, upgrade the technological level and improve **efficiency**. For **national** development to be **sustained**, a supportive and predictable international economic **environment** is essential.

7. We are **at the same time committed** to undertake the necessary **measures** to mobilise domestic savings and **attract foreign financial** resources particularly direct investment **and** other non-debt-creating flows.

8. A major Challenge is to **work** out policies that would lead to enhanced growth **and** development **conditions in** the world economy. Accelerating growth **and** development in developing **countries** require a substantial **increase** in the transfer of resources to developing countries, enlarging market **access to their exports and** by ensuring stability and transparency in the management of world monetary and financial policies **und arrangements**.

9. We are extremely **concerned** about the persistence of the external debt problem. There is an urgent need for **more** innovative, comprehensive and flexible responses to the external **debt** problem, in **order** to reverse the negative net transfer of resources that seriously **endangers** the efforts of developing countries to achieve adequate levels of growth **and** real income improvements. These are also **vital factors** for social stability and for the consolidation of democratic processes.

10. **Any effective solution** to the external debt problem is a joint responsibility **and** requires the full commitment of debtor and creditor countries, multilateral financial institutions and commercial banks, **and the** relating of debt-servicing to development needs. Efforts by developed countries **are** needed to reduce external and internal imbalances, improve the functioning of the international monetary **system**, stabilise exchange rates, lower real interest rates **and** ensure greater access to their markets.

11. The recent initiatives aimed **at** the reduction of the stock of debt and debt service are steps in the right direction. However, these initiatives, in order to respond to the universal and multifaceted character of the debt problem, need to be enhanced, broadened to embrace all categories of debtor nations and implemented **more** effectively. **This** includes a positive approach, and not punitive **measures**, to the problem of arrears with multilateral **financial** institutions. In addition, there is a need to create appropriate mechanisms to assist **developing** countries that are net transferers of resources to these **institutions**. Substantial additional resources need to be provided to back debt **reduction** operations and support adjustment measures.

12. We have agreed that financial **experts** from our countries acting as personal representatives of the Heads of State or Government **meet** and discuss the external debt problem with **the** view of formulating common approaches.

13. There is a close link between trade and external debt. AA improvement in **market access** and in the terms of trade of developing countries **is** an essential **component** of an effective and lasting solution to the external debt problem.

14. The maintenance of an open multilateral trading **system** is crucial for the expansion of world trade and development of all countries. Recent trends towards unilateralism and selective bilateralism that threaten the multilateral system need to be **reversed**. We urge the developed countries to fulfil their earlier **commitments** on Standstill and Rollback, and on imparting greater transparency and **predictability** to GATT rules. **We reaffirm our** commitment to a balanced and **successful** conclusion of the Uruguay Round of **Multilateral Trade Negotiations**, which takes into account the concerns and needs of the developing countries. We shall closely consult **each other and co-ordinate** our efforts towards this end.

15. We agree to co-operate among ourselves and with developed countries to strengthen **commodity markets to achieve stable and remunerative** prices for commodities. We urge that **effort** be made to improve market access whereby developing **countries** would be **able** to fully exploit opportunities for **increased** processing, **marketing** and distribution. In this context, it is important to ensure the effective operation of the recently established Common Fund for Commodities.

16. We are concerned that **some industrialised countries continue to subsidize** heavily farm **production and** agricultural exports which deprive **developing** countries of fair **and** competitive **market** opportunities. We **therefore** support steps to **reduce**, if not to eliminate, such agricultural trade-distorting subsidies which would help to **improve** the international **economic** situation, taking into account the interests of net food-importing developing countries.

17. We welcome the positive changes in East-West relations which have led to a relaxation of international tension and improved **prospects for** significant **disarmament measures**. For this, it is essential that **ways** and means be found for making available for development purposes a significant **part of the resources** released through **disarmament** measures.

18. The present process of technological change poses **challenges** to developing countries. They have an **impact** on their comparative advantage in raw materials production **and** labour-intensive **economic** activities. The increasing **monopolization** of technological progress by the developed countries and the relatively **small technology** base **and** capability of developing countries to **bridge** the technology gap is aggravated by barriers placed on **access** to high technology. It is necessary to improve the **access**, the diffusion **and** the utilisation of new technologies by developing countries. **In this context**, it is **critical** that **regimes** on intellectual property effectively **promote technological** development in developing countries and their access to high technologies. We are determined to initiate a significant programme of co-operation in science and technology to enhance the **development** of the South.

19. Conscious of the **responsibility** that we bear, together with all other **countries**, for the future of mankind, we reaffirm the need for effective actions for the protection of the environment, Urgent **and** renewed efforts are therefore

needed on a **wide** front to safeguard the environment. Any global **initiative in overcoming** environmental problems **requires** concerted international **co-operation based on an equitable** sharing of responsibilities and that **takes into account existing asymmetries between** developed and developing countries. Developing countries require substantial additional **resources** for **pursuing their goals** of sustainable development, including **access** to environmentally sound **technology** at affordable costs and the establishment of funding mechanisms. We **recognise** the importance **of** co-ordinating our positions on issues ~~of~~ major concern to us on the agenda of the forthcoming United Nations Conference on Environment and Development to be held in **Brazil** in 1992.

20. We consider the problem of production and trafficking **of** illicit drugs as one of increasing concern. A comprehensive approach is required whereby current action **undertaken in the producing** countries is accompanied by **decisive action of the international** community to curtail the demand **for** drugs, as well as to support crop-substitution programmes and income-producing activities, instead of insisting on those eradication programmes that are environmentally dangerous.

21. We look forward to a **constructive** and continuing dialogue with the industrialised **countries**. This is imperative for the management of the global interdependence in the **most effective manner**. There is an urgent need for **a** global consensus centred on sustained economic growth and development. We reaffirm our resolve to strengthen multilateral co-operation and to work together to find new ways of dealing with problems in a co-operative, **constructive and** mutually supportive manner.

22. We **regard** South-South co-operation as an integral part of our strategy for breathing new life into **internavional** development co-operation. We need to pursue **opportunities** for greater interrelationship among South countries so **as** to provide a stronger basis for collective self-reliance. We consider that an evolutionary **approach** to the promotion of such co-operation is appropriate and that interested countries should initiate co-operation through viable projects open to participation by all developing countries.

23. In order to accelerate South-South co-operation, we agreed to the principle that, **if a** core group **of** countries **are ready to** initiate and implement joint action **for mutual** benefit, they should go ahead, while making sure that their actions **do** not prejudice the basic interests of developing countries that are not yet **ready to** participate.

24. We encourage pairs of developing countries to exploit actively the potential for trade among **them** by adopting payments and "trade information" related **arrangements in a flexible** manner to suit their circumstances. In addition, we direct a task ~~force of~~ central banks to formulate the working details of an **interregional** payments arrangement and mechanism, with a view to **early implementation of the project on a pilot basis**.

25. We **agree** in principle to establish a south Investment, Trade **and** Technology Data Exchange Center to promote and disseminate information on investment and trade opportunities in the South and **on** technology and the transfer of technology among **developing** countries<sup>8</sup> and to set up **an** Expert Group to work out and finalise the details **of** the implementation of this project, taking into account existing arrangements among developing **countries**.

26. In order to stimulate South-South co-operation among the business community and Government, we agree that a **Business** and Investment **Forum** should be **organized** to bring together businessmen and investors, as well as Government officials, to exchange ideas and information on the promotion of and co-operation in South-South trade and investment, including the organisation of trade fairs and the promotion of trade and **investment** opportunities in the South.

27. In **the light of the** need of **the developing** countries to improve **further** their capacity in **science** and technology, to enhance the capability in **food** production in food-deficit countries and to cope **with** the population problem, we have noted the specific project proposals in these areas\* **We** have directed that details **of** these projects be further elaborated for implementation by expert groups.

28. We attach particular importance to the Global System of Trade Preferences among developing countries as a vehicle for promoting trade and closer economic co-operation among them. In this context, it is envisaged that the **Second Round of** Negotiations be launched under the Global System of Trade Preferences as soon as possible.

29. We believe that it would be useful **for** regional economic groupings of developing countries to co-operate on an interregional basis for mutual benefit and recommend member countries to adopt concrete steps to implement this initiative.

30. We have agreed to consult the **Group** of 24 regarding the modalities of setting up an advisory group to assist developing countries, upon request, in their dealing with multilateral financial institutions and to give advice on the possible impact **of conditionalities** put forward by these institutions.

31. We are all members of the wider fraternity of developing countries, particularly the Movement of **Non-Aligned** Countries or the Group **of 77**. **We** are fully committed to the objective of promoting co-operation among developing countries. To this end, we agree to **convey** the results **of** our meeting to all **members** of the Group **of 77** and of the Movement of Non-Aligned Countries.

32. We have agreed to set up a Steering Committee comprising **three** member countries, namely, Malaysia, Senegal and Venezuela at the Foreign Ministers level to co-ordinate the work of the Group of 15 until the next Summit **and** to decide **on** the size **and** location of a small group **of** permanent **staff** to assist the Steering Committee.

33. In relation to the implementation of projects, we have also decided that support mechanisms be established in countries whose projects have been endorsed.

**34.** We have decided to hold our summit meeting8 on an annual basis. We gratefully accept the invitation extended to us by His Excellency Carlos Andrea **Pérez**, the **President of Venezuela**, to hold our **next meeting** at **Caracas** in June 1991.

**35.** We took note, with satisfaction, of the progress report which the Chairman of the South **Commission**, Mwalimu Julius Nyerere, made on the conclusion of the Independent **Commission**. We look forward to the presentation of the final Report which **is to take** place at Caracas next August and gladly accept the invitation of President **Pérez** to **be** present at Ministerial level on that occasion.

**36.** We express our warm appreciation to Prime Minister **Dato' Seri** Dr. Mahathir **Mohamad**, and the Government **and** people of Malaysia for carrying forward the **initiative for** South-South Consultation **and Cc-operation** launched at Belgrade in September 1989. We also express deep gratitude for the excellent arrangements made **for** our **meeting and** the generous hospitality extended to us by the Government and people of Malaysia.

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