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**Macroeconomic policy questions: international trade  
and development**

## **Unilateral economic measures as a means of political and economic coercion against developing countries**

### **Report of the Secretary-General**

#### *Summary*

In its resolution 64/189, entitled “Unilateral economic measures as a means of political and economic coercion against developing countries”, the General Assembly requested the Secretary-General to continue to monitor the imposition of such measures, to study their impact on the affected countries and to report to the Assembly at its sixty-sixth session on the implementation of the resolution. The present report reflects the replies of Member States and selected international organizations (see annexes I and II) to the note verbale sent by the Secretary-General requesting pertinent information. The report also includes additional data collected by the Secretariat.

The responses from Member States indicated their disagreement with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Such actions are not viewed as being in accordance with the principles of the Charter of the United Nations, the norms of international law or the rules-based multilateral trading system, moreover, they are perceived as to be undermining the sovereign equality of States. Member States affected by such measures stressed that unilateral measures have an extraterritorial dimension, since they extend the application of domestic laws to other countries. Member States expressed concern about the negative impact of unilateral economic measures on the socio-economic development of the affected countries. The Economic and Social Commission for Western Asia, the United Nations Conference on Trade and Development and the Organization for Economic Cooperation and Development reported that unilateral sanctions tend to adversely affect populations in the affected countries and to hamper international trade.

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## **I. Introduction**

1. The present report is submitted pursuant to General Assembly resolution 64/189, entitled “Unilateral economic measures as a means of political and economic coercion against developing countries”. In that resolution, the Assembly, *inter alia*, urged the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries that were not authorized by relevant organs of the United Nations or were inconsistent with the principles of international law as set forth in the Charter of the United Nations and that contravened the basic principles of the multilateral trading system.

2. In the same resolution, the General Assembly requested the Secretary-General to continue monitoring the imposition of such measures, to study their impact on the affected countries, including the impact on trade and development and to report to the Assembly at its sixty-sixth session on the implementation of the resolution.

3. Accordingly, the Secretariat, in a note verbale dated 4 April 2011, invited the Governments of all Member States to provide their views and any other relevant information regarding the existence of any unilateral sanctions and the impact they may have had on national trade and development. As a result of the introduction of a short questionnaire by the Secretariat, in order to facilitate the responses from countries, a greater number of countries replied compared to the previous exercise, when only four Member States responded to the request by the Secretary-General. As of mid-June 2011, 18 Member States (Armenia, Brunei Darussalam, Colombia, Cuba, Egypt, Gabon, Guatemala, Lebanon, Malaysia, Malta, Mauritius, Mexico, Myanmar, Oman, Qatar, the Sudan, Ukraine and Viet Nam) had replied to the request. Those replies are reproduced in annex I to the present report. The information presented in section II has been provided by respondents and has not been verified with other sources.

4. Relevant organizations, programmes and agencies inside and outside the United Nations system were also invited to provide information and analyses concerning recent developments in the subject area. The Economic and Social Commission for Western Asia (ESCWA), the United Nations Conference on Trade and Development (UNCTAD) and the Organization for Economic Cooperation and Development (OECD) responded to that invitation. The replies received from those organizations are reproduced in annex II to the present report.

## **II. Summary of replies received from Member States, United Nations bodies and international organizations**

5. Member States that responded to the request of the Secretary-General for their views on the issue expressed disagreement with the imposition of such measures. Unilateral economic measures are viewed as violations of the principles of the Charter of the United Nations, the norms of international law and the rules-based multilateral trading system, and are perceived to undermine the sovereign equality of States.

6. Member States that identified themselves as countries subject to coercive economic measures expressed concern about the negative impact of unilateral

economic measures on their socio-economic development. Cuba indicated that its domestic industries continue to be affected by the application of the trade and financial embargoes imposed against it for more than 50 years. Similarly, Myanmar indicated that foreign and domestic investment in the country has been severely affected by unilateral measures imposed by some Member States, which have had negative impact on its productive capacity development. The Sudan stated that unilateral sanctions have restricted its access to export markets and affected its ability to import technology and industrial infrastructure necessary for the growth of its productivity. All three countries stressed that they would have been able to achieve greater progress in improving their socio-economic conditions had sanctions not been imposed.

7. Several other respondents not affected by unilateral sanctions also expressed their concern about the adverse impact on economic development and the living standards of countries that face such measures. In this regard, Egypt, Gabon, Lebanon and Mauritius mentioned that unilateral sanctions tend to have an adverse impact on the vital economic sectors of the affected countries, thereby harming the welfare of their populations. Mexico indicated that such measures produce severe humanitarian consequences, and Oman emphasized the particular impact of such sanctions on women and children, preventing them from exercising their legitimate human rights. Armenia and Viet Nam stated that the negative consequences of sanctions are felt beyond the countries directly affected, as unilateral sanctions also have adverse implications for the free flow of international trade and the effectiveness of international economic cooperation.

8. A summary of latest developments in three of the economies monitored by ESCWA, the Occupied Palestinian Territory, the Sudan and the Syrian Arab Republic, was provided by the Commission. Restrictions on mobility and an economic blockade are still in effect in the Gaza Strip. Heavy restrictions on imports to the Occupied Palestinian Territory have led to shortages of basic commodities required for maintaining the standard of living of the local population, and export restrictions have curtailed trade. Economic, trade and financial sanctions have been in effect in the Sudan since 1997. The Commission indicated that the ban on petroleum-related activities and transactions currently extends to South Sudan as well and is a source of additional concern as South Sudan remains one of the most economically disadvantaged countries in Africa. The Commission also indicated that one Member State has banned all exports other than food and medicines to the Syrian Arab Republic and that the measure is affecting local industries and consumers in that country.

9. UNCTAD provided a summary of the latest developments related to trade by countries currently affected by unilateral sanctions, including Belarus, Cuba, the Democratic People's Republic of Korea, the Islamic Republic of Iran, the Libyan Arab Jamahiriya, Myanmar, the Occupied Palestinian Territory, the Sudan and the Syrian Arab Republic. While the scope of measures applied to the countries concerned varies, major impacts include a loss of trade and foreign exchange earnings, a reduction in productive capacity and employment and a deterioration of the economic and social welfare of the population, in particular among middle and lower income groups. In its reply, OECD indicated that it supports a smooth functioning of the rules-based multilateral trading system under which economic sanctions are enacted following a dispute settlement ruling.

### III. Monitoring the imposition of unilateral measures and studying the impact of such measures on the affected countries

10. According to the publication written by researchers at the Peterson Institute for International Economics,<sup>1</sup> there have been 23 new cases of unilateral economic measures since 2000. Eighteen of the new cases were initiated after 2000, while five cases refer to the introduction of new actions in the long-standing instances of Cuba, the Democratic People's Republic of Korea, the Islamic Republic of Iran, Myanmar and the Occupied Palestinian Territory. Among the new 18 cases, six cases no longer apply, while 12 cases are still in effect. Cases that were initiated after 2000 and no longer in effect are: the Central African Republic (2003-2005); Guinea (2002-2010); Guinea-Bissau (2003-2004); Haiti (2001-2005); Honduras (2009); and Uzbekistan (2005-2009). Cases that were initiated after 2000 and are still ongoing are: Belarus (2006-); the Democratic Republic of the Congo (2003-); Fiji (2006-); the former Liberian regime of Charles Taylor (2007-); Georgia (2006-); Côte D'Ivoire (2004-); Lebanon-related (2007-);<sup>2</sup> the Libyan Arab Jamahiriya (2011-); Somalia (2010-); the Sudan (2004-); the Syrian Arab Republic (2011-); and Zimbabwe (2002-).

11. Recent trends suggest that while the use of broadly defined trade embargoes is significant, the use of "smart" sanctions, including arms embargoes, asset freezes and travel bans, have also been on the rise. Evidence indicates, however, that unilateral measures, especially broad trade embargoes, can have a severe adverse impact on the welfare of people and on the long-term growth prospects of the affected countries. Recent studies suggest that vulnerable groups, in particular children and the poor, tend to be the most affected.<sup>3</sup> The magnitude of the impact of such sanctions on the social and economic development of the affected countries, which depends on the nature and length of the sanctions imposed as well as on the overall characteristics of the economy concerned, can only be properly assessed on a country-by-country basis.

<sup>1</sup> Hufbauer, Gary Clyde, Jeffery J. Schott, Kimberly Ann Elliott, and Barbara Oegg, 2008, *Economic Sanctions Reconsidered*. The publication has been updated by Gary Hufbauer and Julia Muir.

<sup>2</sup> Lebanon-related sanctions are not country-specific. More information is available from <http://www.treasury.gov/resource-center/sanctions/Programs/pages/leb.aspx>.

<sup>3</sup> Child mortality rates in Iraq increased after the Gulf conflict and the imposition of sanctions (Ali, Mohamed M. and Shah, Iqbal H., 2000, "Sanctions and childhood mortality in Iraq", *The Lancet*, vol. 355, No. 9218). Child malnutrition and child mortality increased in the periods when the sanctions were in effect in Haiti (Reid, Britt C., Psoter, Walter J., Gebrian, Bette, and Wang, Min Qi, 2007, "The effect of an international embargo on malnutrition and childhood mortality in rural Haiti", *International Journal of Health Services*, vol. 37, No. 3). Evidence from a large repeated cross-section data from 69 developing countries suggests that child weight, height and mortality are negatively affected by the sanctions (Petrescu, Ioana M., 2011, "The humanitarian impact of economic sanctions", mimeo).

## **Annex I**

### **Replies received from Member States**

#### **Armenia**

[Original: English]

[3 May 2011]

Armenia does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Armenia has not been affected by economic sanctions during the 2008-2010 period.

Armenia is a landlocked country, and although it has not been affected by direct economic sanctions during the 2008-2010 period, its borders with Turkey (since April 1993, western border) and Azerbaijan (since 1990, eastern border) are still closed, a fact which has increased transit fees and has imposed an additional financial burden on and barrier to the economic and social development of the country. The closed borders block guaranteed access to the sea, which would enable the use of more efficient trade opportunities, and have had a negative impact on Armenia's ability to take part in international economic cooperation and to integrate with multilateral trading systems.

#### **Brunei Darussalam**

[Original: English]

[10 May 2011]

Brunei Darussalam does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Brunei Darussalam has not been affected by economic sanctions during the 2008-2010 period.

#### **Colombia**

[Original: English]

[17 May 2011]

Colombia does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. As a principle, Colombia believes in full respect for the independent development of the internal policies of all nations. This principle is reflected in article 9 of its Constitution, which states that the international relations of the State are based on national sovereignty, in respect for the self-determination of peoples and in recognition of the principles of international law, accepted by Colombia.

Colombia has not been affected by economic sanctions during the 2008-2010 period.

## Cuba

[Original: Spanish]

[3 June 2011]

Cuba does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Cuba opposes the imposition of unilateral coercive measures as a means of exerting political and economic pressure on developing countries because it contravenes the principles of the Charter of the United Nations. It constitutes a violation of a sovereign State's right to peace, development and security and breaches the principle of peaceful coexistence among sovereign States. In its essence, it is an act that persistently threatens a country's stability. It infringes the right to sovereignty and political independence. It violates freedom of trade and navigation and the rules of the multilateral trading system.

Cuba continues to be affected by an economic, commercial and financial embargo imposed by the Government of the United States for more than 50 years.

The United States economic, commercial and financial embargo constitutes the primary obstacle to Cuban economic development. The legal basis for this policy remains intact and the political, administrative and repressive machinery has been strengthened in order to make the embargo more effective and in particular to harass and interfere with Cuban financial transactions throughout the world. Export of products or services of any kind from Cuba to the United States remains prohibited. Export of products or services from the United States to Cuba also remains prohibited, with a very few strictly regulated exceptions. Merchant vessels of any country that enter Cuban ports are still barred from entering United States ports for 180 days. No third-country company that is in any way affiliated with or holds an interest in a United States company may do business with Cuban companies, regardless of the host country's relations with Cuba, the laws of the third-country company's country of origin or the rules of international law. The authorities of the United States Government harass, threaten and impose penalties on third-country companies with trade ties to Cuba in every corner of the world, regardless of their origin or assets and whether or not they have ties with the United States. Interference in Cuba's financial transactions with third countries is increasing, regardless of those countries' relations with Cuba, the currency they use or their current banking regulations. Government regulations prohibit United States citizens from travelling to Cuba, with a very few strictly regulated exceptions. The complex framework of laws and legal provisions governing this policy has not been dismantled. The embargo against Cuba has been the longest and harshest the United States has ever enforced against any country. Although it was officially decreed in 1962, it began to be implemented as soon as the Cuban revolution triumphed in 1959. By its nature, the United States embargo against Cuba constitutes an act of genocide under paragraph (c) of article II (c) of the Convention on the Prevention and Punishment of the Crime of Genocide (1948 Geneva Convention) and an act of economic war under the terms of the Declaration concerning the Laws of Naval War adopted by the London Naval Conference in 1909. The embargo remains distinctly extraterritorial in nature, since the unilateral sanctions against Cuba have a widespread impact outside United States territory on companies and citizens of third countries. The accumulated direct economic damage caused to the Cuban people by

the United States economic, commercial and financial embargo by December 2009 amounted to the gold-value equivalent of more than \$751 billion.

Despite the international community's fervent and increasing calls for the United States Government to change its policy towards Cuba, lift the embargo and normalize bilateral relations, the United States Government has not altered its policy towards Cuba. The embargo continues to be an absurd, illegal and morally unsustainable policy that has not succeeded and will not succeed in its purpose of crushing the resolve of the Cuban people to preserve its sovereignty, independence and right to self-determination; however, it leads to shortages and suffering for the people, hampers and delays Cuba's development and seriously harms the economy of Cuba. The embargo is a unilateral, immoral policy rejected both in the United States and by the international community. The United States must lift it unconditionally without further delay. Cuba calls on the international community to take immediate steps to eliminate the use of coercive economic measures against developing countries. It categorically opposes their use as a means of exerting political and economic pressure on developing countries.

## **Egypt**

[Original: English]  
[15 April 2011]

Egypt does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Egypt has not been affected by economic sanctions during the 2008-2010 period.

Egypt is firmly against the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries for the following reasons: (a) these measures are in breach of the principles of the Charter of the United Nations and the norms of international law, respect for sovereignty and territorial integrity; (b) they are in total contradiction of the principles of multilateralism as well as the rules-based multilateral trading system to which all countries should adhere; (c) they have an adverse impact on the vital economic sectors of the affected countries, including the financial, banking, investment and tourism sectors and; (d) they have detrimental effects on the well-being as well as the socio-economic development of the population of affected countries, since they directly negatively impact health, nutrition, water quality, education and culture. Egypt appeals to all States to refrain from recognizing such unilateral measures and supports the claim of affected countries to compensation for any damage incurred as a result of the breach of internationally agreed norms of conduct.

## **Gabon**

[Original: English]  
[22 April 2011]

Gabon does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Gabon believes in resolving conflicts through dialogue and consultation. Gabon encourages



multilateralism rather than unilateralism. This type of unilateral solution should be discouraged since it has grave consequences for the population in general, including increasing poverty and other social diseases.

Gabon has not been affected by economic sanctions during the 2008-2010 period.

## **Guatemala**

[Original: Spanish]  
[16 June 2011]

Guatemala does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Under the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States, no State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights and to secure from it advantages of any kind, in accordance with the Charter of the United Nations.

Guatemala attaches great importance to international relations among countries. In disadvantaged countries especially, issues such as peaceful coexistence in the context of the globalization process are key national priorities for economic and technological development and international trade.

Guatemala is of the clear opinion that States should eschew any unilateral or other measure that affects adequate individual or collective development out of due respect for the fundamental rights of peoples.

The continuation of unilateral economic measures as instruments of political and economic coercion hinders the development of the market economy and the development of peoples. These are anti-economic measures. Their sole legacy is poverty and underdevelopment.

## **Lebanon**

[Original: English]  
[17 May 2011]

Lebanon does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Such destructive measures impact the populations of developing countries more than their Government. They are highly ineffective and counterproductive.

Lebanon has not been affected by economic sanctions during the 2008-2010 period.

## Malaysia

[Original: English]

[4 May 2011]

Malaysia does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Such impositions are out of step with the current trend towards increasing interdependence and interaction among States. They also violate the letter and spirit of the agreement establishing the World Trade Organization. Unilateral measures are discriminating in nature and are intended to serve specific political agendas against target countries. They also have an extraterritorial dimension, as they extended the application of domestic laws to other countries.

Malaysia has not been affected by economic sanctions during the 2008-2010 period.

## Malta

[Original: English]

[25 April 2011]

Malta does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Malta, which imposes no unilateral sanctions of its own, applies only Security Council resolutions, European Union regulations and decisions in its sanctions activity. These sanctions are applied without distinction as to whether a country is developing or developed in cases where the international community considers them a valid tool of policy.

Malta has not been affected by economic sanctions during the 2008-2010 period.

## Mauritius

[Original: English]

[4 May 2011]

Mauritius does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Mauritius has not been affected by economic sanctions during the 2008-2010 period.

The multilateral process must not be undermined by unilateral measures. Achieving political goals through economic sanctions may not help to achieve the desired long-term objectives of the State because, most of the time, it is the general public, in the course of their day-to-day activities, who suffer the most.

## Mexico

[Original: English]

[5 May 2011]

Mexico does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries.

Mexico has not been affected by economic sanctions during the 2008-2010 period.

The Government of Mexico reiterates its firm opposition to the implementation of unilateral measures as means of political and economic coercion against developing countries when they have no legal basis in the Charter of the United Nations. Sanctions can only emanate from the decisions or recommendations of the Security Council, or from the General Assembly of the United Nations. When unilateral economic measures do not respect these principles, they produce severe humanitarian consequences contrary to international law. They also imply the abandonment of diplomacy and dialogue as appropriate means to solve controversies between States.

## Myanmar

[Original: English]

[3 May 2011]

Myanmar does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. The unilateral sanctions currently imposed on Myanmar are unwarranted, and they are also against international law. In addition, Myanmar believes that such unilateral sanctions are counterproductive and deprive countries of their right to development.

Myanmar has been affected by economic sanctions during the 2008-2010 period.

Because of economic sanctions imposed by some western countries, not only foreign investments but also investments by citizens of Myanmar have been severely affected. For instance, out of a total of 289 cut-make-and-pack businesses that existed before the sanctions, 182 are in operation and 107 have been forced to shut down. As a result 13,951 workers have lost their jobs.

In addition, the obstruction of foreign investment, which is necessary for the economic development of Myanmar, combined with the long-term suspension of overseas development assistance (ODA) by international organizations, have caused a slow-down of economic development and has also affected the socio-economic progress of the country.

Sanctions are being employed as a political tool against Myanmar. Myanmar considers the sanctions to be unjust and would like to have such acts cease. Despite the sanctions, progress has been made in improving socio-economic conditions, thanks to the combined efforts of the Government and the people of the country. Without the sanctions, Myanmar will achieve even greater progress.

## Oman

[Original: Arabic]

[6 June 2011]

Certain, if not, indeed, most major Powers and large economic blocs and groups employ economic, military and technological superiority and political polarization to impose their wishes and ideology on the countries of the developing world in Africa, Asia and Latin America. They subjugate those countries by imposing tyrannical and coercive measures that include, inter alia, sanctions, interdictions, freezing and confiscation. Those measures take a variety of forms, including the monetary, economic, military and technological, and even airspace is not immune. This is a violation of the international legitimacy that has been provided for in international laws and instruments.

The use of unilateral economic measures against developing countries as a form of political and economic coercion is completely incompatible with the spirit of the Charter of the United Nations and with the strengthening of solidarity, cooperation and friendly relations between States and nations.

While the United Nations endeavours, in one way or another, to promote economic growth and sustainable development, such measures conflict with all the laws, principles and standards that govern international relations in every economic, commercial and financial field and are designed to integrate developing countries into the global multilateral economy by expanding the commercial, economic, financial and other interaction between all States.

The use of such unilateral measures against developing countries as a form of political and economic coercion and robbery has been condemned in various resolutions and decisions adopted by United Nations agencies, the Security Council, and regional and civil society organizations throughout the world and, in particular, the General Assembly, which has, to no avail, adopted many resolutions on this matter in which the international community has forcefully expressed the need for such measures to be eliminated and for genuine steps to be taken to ensure that they are never used again.

Let us not forget that the adoption and application of such unilateral measures and the imposition of air, land or sea embargoes are acts that hinder the economic and social development of the inhabitants of the countries affected and have a particular impact on their women and children, preventing them from enjoying life to the extent that others do and erecting obstacles to their realization of sustainable development and full enjoyment of their legitimate rights as provided for in regional and international human rights instruments. Those rights include the right of every person to a decent standard of living that will ensure health and well-being and the right to food, health care and the requisite social services. Therefore, the embargoes imposed as part of such tyrannical measures on many developing countries are clear examples of violations of international law and human rights, which must be ended expeditiously, without any restrictions or conditions.

It is an incontrovertible fact that coercive unilateral economic measures represent a threat to the legitimate economic interests of the targeted developing countries. The United Nations and other relevant international and multilateral organizations must combine their efforts to create and strengthen international

economic conditions that are capable of bringing about equality of opportunity for all countries, without distinction, to benefit from the international commercial, financial and economic systems. Those organizations must also consider ways and means of compensating targeted countries for the material and moral losses and damage that they have sustained at the hands of those who had recourse to those unilateral measures.

The international community has in fact never ceased to condemn the measures that have been imposed on several countries, particularly in view of the circumstances that certain regions are currently experiencing. A firm stand must be taken and a call put out for an end to the policy that is rejected by the whole world of using any form of tyrannical unilateral economic measure as a way of imposing hegemony over and subjugating developing countries. The end of such measures would help to create a positive climate for international relations and strengthen the role of international legitimacy in maintaining the principle of the sovereign equality of States.

The Sultanate of Oman therefore views such measures as incompatible with international norms and instruments and detrimental to the interests of developing countries.

## **Qatar**

[Original: English]  
[4 May 2011]

Qatar supports the principles set out in General Assembly resolution 64/189, which are in line with the overall orientation of Qatar's foreign policy, based on the promotion of tolerance, international peace and security, the reinforcement of the principle of amicable relations and cooperation in the international arena and the rejection of all forms of economic and political coercion against any country. For the above reasons, Qatar supports the General Assembly resolution on lifting the economic embargo imposed on Cuba by the United States of America every year.

## **Sudan**

[Original: English]  
[2 May 2011]

The Sudan does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries because they harm economies of developing countries by blocking access to international markets and by restricting import of technology, industrial infrastructure and spare parts to enhance their productivity. The introduction of sanctions restricts economic growth and affects the well-being of the nations on which they are imposed.

The Sudan has been affected by economic sanctions during the 2008-2010 period, as follows:

- Restrictions on access to American markets to sell domestic products and to import from American producers

- Restrictions on access to American technology and spare parts
- Discouragement of investment by United States companies in the Sudan
- Prohibition of bank transfers; all transfers initiated by the Sudan or by which the Sudan benefits are continuously blocked by the United States Government; this has badly affected the country to the extent that it is unable to pay for annual subscriptions to periodicals and books, or to acquire software for educational purposes
- As a result of the unilateral sanctions imposed by the United States, the Sudan does not have access to concessional loans or multilateral donor programmes.

The above measures were imposed by the United States in 1997, and they are still binding. There is promise that they will be lifted after the full implementation of the Comprehensive Peace Agreement, although this is no longer certain since, now that the Agreement is about to be fully implemented, the issue of Darfur has been added to the list of preconditions.

Most areas of the country's economic activity have been badly affected, including agricultural production and related industries, aviation services, higher education and scientific research. Many recent aircraft engine failures, which have caused the loss of lives, have been blamed on the sanctions imposed by the United States.

The Sudan has cooperated with the International Monetary Fund (IMF) for 13 years under its staff monitored programme, achieving most of the programme targets, including regular payment to IMF, and qualifying for debt relief. However, in spite of this, for political reasons, the Sudan has never benefited from debt relief under the Heavily Indebted Poor Countries Initiative.

Allowing individual countries to impose unilateral measures against other countries, which contradicts international law and undermines the *raison d'être* of the United Nations, should not be tolerated.

## **Ukraine**

[Original: English]  
[20 May 2011]

Ukraine does not have any legislation or regulations that support unilateral economic measures as a means of political and economic coercion against developing countries. Equally, the Government of Ukraine does not accept the use of economic measures as a means of achieving political aims and upholds, in its relations with countries, the fundamental principles of the Charter of the United Nations, the norms of international law and the freedom of trade and navigation.

## **Viet Nam**

[Original: English]  
[11 May 2011]

Viet Nam does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries,

which lead to negative impacts on the lives of people in those developing countries, as well as on international trade and development. The imposition of economic measures should be compatible with the principles of international law, as well as the principles and objective of the Charter of the United Nations.

As is the case with all countries in the international community, Viet Nam has been indirectly affected by economic sanctions during the 2008-2010 period. Such measures have constrained the free flow of international trade and have thus had a negative impact on the country's development.

## Annex II

### Replies received from United Nations bodies and international organizations

#### Economic and Social Commission for Western Asia

[Original: English]

[3 May 2011]

The contribution of the Economic and Social Commission for Western Asia (ESCWA) to the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries is submitted herewith.

The imposition of punitive measures, including sanctions, impinge upon the entire populations of developing countries, but they may not always reach their intended targets. This “collective punishment” places significant burdens on the citizenry of the targeted countries, including children. Such measures lead to falling incomes, which directly affect progress towards the achievement of the Millennium Development Goals owing to their negative impact on national budgets. These actions are also contrary to the General Assembly resolution 64/189.

The Commission has the following observations to make on countries affected by economic sanctions in the ESCWA region during the 2008-2010 period as follows.

<i>Target countries</i>	<i>Nature of sanction</i>	<i>Country imposing sanction</i>	<i>Date sanction was imposed</i>	<i>Sanction still binding?</i>
Occupied Palestinian Territory	Mobility restrictions and economic blockade (Gaza Strip)	Israel	Mobility restrictions 2000 Economic blockade: June 2007 (Gaza Strip)	Yes
Sudan	Economic, trade and financial sanctions	United States	October 1997	Yes
Syrian Arab Republic	Economic sanctions (general export ban for non-food or medicine items)	United States	May 2004	Yes

ESCWA reports the impact of the above sanctions on the country, including on its trade and development as follows:

#### Sudan

A total trade embargo imposed by the United States, the world’s largest economy, has seriously hampered the trade and development trajectory of the Sudanese economy. This is especially true with respect to the restriction imposed by the United States on trade with the Sudan’s most important source of revenue, the petroleum and petrochemical industries. While petroleum-related exports and exchanges of expertise continue with the rest of the world, the lack of economic and technological contact with the United States has left the Sudanese petroleum



industry at a disadvantage. The fact that the ban on petroleum-related activities and transactions extends to South Sudan has further complicated the situation as South Sudan remains one of the most economically disadvantaged regions in the world, despite possessing abundant natural resources. Given that the current Government of South Sudan is not also a target of American sanctions, this policy has led to the suffering of innocent civilians not just in the Sudan, which is governed by a Government targeted by American trade sanctions, but also of innocent civilians in South Sudan, which is governed by an authority that has to attempt to ameliorate economic conditions in the face of sanctions that have been poorly targeted.

The banning of exports and imports between the Sudan and the United States has also hurt local industries and consumers. Industries — unable to access the largest economy in the world while also missing out on technological goods and services from the United States — suffer from inefficiencies in that sector. Consumers are also unable to purchase American goods and services, which may be of better quality than those currently available to ordinary Sudanese. The sanctions also curtail employment growth. Given the high birth rate, the youth bulge and high unemployment rates among the young in the Sudan, the sanctions have a disproportionate impact on the youth of the country.

Overall, sweeping trade and economic restrictions with the world's largest economy significantly hamper the trade and development trajectory of the Sudanese economy. Restrictions on access to the American market have hampered exports and decreased potential income, with negative repercussions on economic development in the country, including delaying the potential achievement of the Millennium Development Goals.

### **Syrian Arab Republic**

The banning of exports of United States products other than food and medicine to the Syrian Arab Republic places a trade and development burden on the country. A range of goods and services needed for development purposes have either become unavailable or restricted owing to the higher price the consumer must pay for them from non-American sources. This impacts both local industries and consumers. Local industries are unable to access technologically rich goods and services that may lead to higher efficiency in output while consumers are also unable to enjoy American-made products that may be of better quality compared to the available alternatives.

### **Occupied Palestinian Territory**

Restrictions on the economy and restrictions on movement have heavily affected Palestinians in every area of society. The economy has become heavily dependent to both foreign aid and the Israeli economy. Oppressive restrictions on imports have led to shortages of many basic commodities required for maintaining an adequate standard of living. Export restrictions have also curtailed trade with the outside world, and have ensured Israeli hegemony over the Palestinian economy. Unemployment remains worryingly high, and has forced the authorities to hire staff at a lower-than-average rate just in order to prevent skyrocketing labour force marginalization. Progress towards the realization of the Millennium Development Goals remains problematic in the face of budgetary, institutional and infrastructural

constraints, which can be directly attributed to the imposition of the above-mentioned restrictions.

The economic and trade blockade of the Gaza Strip has had significant ramifications on trade and development. Both import and export restrictions severely curtail trade not just with the outside world but also with the West Bank and East Jerusalem. Strict controls on “dual use” imports have also led to a lack of infrastructure, which was already in poor condition. As a result, the water and electrical supply has deteriorated, significantly impeding economic and, hence, employment-generating activities. The impact on the citizenry, which is both negative and widespread, has led to adverse effects on education and health (including psychological), including income levels.

In addition, ESCWA comments that:

- Previous and ongoing experiences of unilateral sanctions in Western Asia have been shown to create more tension and frustration, with an overall adverse effect on societies and populations;
- Unilateral sanctions are perceived across the region as a tool of Western dominance, especially since most current and previous sanctions have been imposed by Western countries, namely the United States and the European countries. Thus, whereas sanctions are usually meant to weaken a government and/or pressure it to undertake certain steps or change policies, the result tends to be increased anti-Western sentiment, more local support for the government/regime in question and, hence, more legitimacy for it and its policies.
- The most severe case of unilateral sanctions is the blockade imposed by Israel on the Gaza Strip. This blockade not only violates the principles of international law that are relevant to international trade, but it also violates other aspects of the Fourth Geneva Convention, namely article 33, which prohibits collective punishment.

## **United Nations Conference on Trade and Development**

[Original: English]  
[12 April 2011]

The contribution of the United Nations Conference on Trade and Development (UNCTAD) to the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries is submitted herewith.

UNCTAD does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. The Accra Accord, which emerged from the twelfth session of UNCTAD in 2008, urged that States refrain from applying any unilateral economic, financial or trade measure not in accordance with international law and the Charter of the United Nations. It also stressed that meaningful trade liberalization would require addressing unilateral measures, where they may act as non-tariff trade barriers, and that international efforts should be made to reduce or eliminate such measures. Unilateral coercive economic measures affect the economic and social welfare of the citizens in the

targeted countries, particularly those in the middle- and low-income groups. Moreover, they cause economic and financial harm to third countries when they are applied extraterritorially.

UNCTAD has observed countries affected by economic sanctions during the 2008-2010 period as follows:

<i>Target country</i>	<i>Nature of sanction</i>	<i>Country imposing sanction</i>	<i>Date sanction was imposed</i>	<i>Sanction still binding?</i>
Cuba	Economic, commercial and financial embargo	United States	Early 1960s	Yes
Belarus, Cuba, Democratic People's Republic of Korea, Islamic Republic of Iran, Libyan Arab Jamahiriya, Myanmar, Sudan, Syrian Arab Republic	Exclusion from the Generalized System of Preferences	Some donor countries to the Generalized System of Preferences	Early 1970s to 2000s	Yes
Islamic Republic of Iran, Sudan, Syrian Arab Republic	Impacting the accession process to the World Trade Organization (WTO)	Some WTO Members	When the three countries applied for WTO membership in 1990s to 2000s	Yes
Occupied Palestinian Territory	Israeli closure policy imposed in the West Bank, and economic blockade on the Gaza Strip since mid-2007. In addition, the construction of the separation barrier in the West Bank by Israel increases the economic isolation and fragmentation of the Occupied Palestinian Territory	Israel	Closure policy imposed on the Occupied Palestinian Territory in mid-1990, but intensified in September 2000. Construction of the separation Barrier in the West Bank commenced in 2002 (almost completed). Blockade of Gaza Strip started in June 2007	Yes

UNCTAD describes the impact of the above sanctions on the countries, including on its trade and development, as follows.

The Generalized System of Preferences provides non-reciprocal preferential market access to developing countries and the least developed countries. Since its margin of preference may be highly advantageous, exclusion from Generalized System of Preferences schemes could mean a loss of competitiveness for exporters of agricultural and manufactured goods. The coercive measures have also had an impact on the WTO accession process of the Islamic Republic of Iran, the Sudan and the Syrian Arab Republic, and have caused a delay in their integration into the international trading system.

The United States embargo against Cuba has had significant negative effects on the Cuban economy and on the standard of living of Cuban citizens. The Government of Cuba reports that, on a conservative calculation, overall direct economic damage caused by the embargo had reached over \$100 billion by the end of 2009. The losses are attributed to the additional costs incurred by the Cuban Government, enterprises and citizens in obtaining goods, services and financing. The embargo affects critical aspects of the lives of Cuban citizens, such as public health and the food supply. Moreover, it severely limits national development in strategic sectors such as science and technology, as well as industries such as informatics and communications owing to the dominant position of the United States in those fields. In cases where embargo measures are applied extraterritorially, the businesses and investments of third countries may also be affected.

Since 2000, Israel has intensified its closure policy, a policy that restricts the movement of people and goods within, to and from the Occupied Palestinian Territory. This has fragmented what is left of the economy into isolated islands and has substantially increased transaction costs and restricted access to global markets. Many existing businesses have become redundant and potential investments have vanished. At least one third of the 1998 Palestinian productive base (factories, farms, trees, buildings and land) was not replaced after it was destroyed, or simply deteriorated, during recurrent confrontations. The 709 kilometre “separation barrier”, which is presently being constructed, and is near completion, by Israel, has resulted in the confiscation of 15 per cent of the West Bank’s most fertile land, while Israel’s security policy has limited fishermen’s access to the sea and rendered 30 per cent of arable land in Gaza inaccessible to farmers. The cost of the December 2008/January 2009 Israeli military offensive on Gaza is slightly below \$4 billion (almost three times the size of gross domestic product (GDP) of Gaza in 2006). The cumulative effect of these policies translates into a more than 14 per cent drop in real per capita GDP between 1999 and 2009, extremely high poverty and unemployment rates and deepening dependence on foreign aid and on the Israeli economy. It is estimated that the Palestinian exports in 2009 are 40 per cent below the 1999 level. The trade deficit continues to represent 60 per cent of GDP; more than 66 per cent of the overall deficit is net import from Israel. The latter is larger than the \$2.4 billion in donor support received by the Palestinian Authority in 2009. All of these factors are undermining the prospects for a future viable and sovereign Palestinian state.

While the scope of the coercive measures applied to the countries concerned varies, the major impact is felt in loss of trade and foreign exchange earnings, reduction in production capacity and employment, limited access of the population to goods and services including health, education, science and technology, higher costs of transactions, lower living standard and lack of opportunity to integrate into a non-discriminatory and open international trading system.

## **Organization for Economic Cooperation and Development**

[Original: English]

[18 April 2011]

The contribution of the Organization for Economic Cooperation and Development (OECD) to the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries, the Organization for Economic Cooperation and Development (OECD) is submitted herewith.

OECD does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. OECD supports the smooth functioning of the rules-based multilateral trading system under which economic (i.e. trade), sanctions are enacted following a dispute settlement ruling.

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