United Nations A/68/218

General Assembly

Distr.: General
29 July 2013
English
Original: Arabic/English/French/Spanish

Sixty-eighth session
Item 17 (a) of the provisional agenda*
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 66/186, on 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 measures of this nature, to study their impact on the affected countries, including the impact on trade and development, and to submit to the General Assembly at its sixty-eighth session a report on the implementation of the resolution. The present report was prepared to fulfil that request. It reflects the replies of Member States and selected international organizations (see annexes) 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 an instrument of political and economic coercion against developing countries. Such actions are viewed as not in accordance with the principles of the Charter of the United Nations, the norms of international law and the rule-based multilateral trading system, and undermine the sovereign equality of States. Member States expressed their concerns about the negative impact of unilateral economic measures on the socioeconomic development of the affected countries. International organizations reported that unilateral sanctions tend to adversely affect the population in the affected countries and hamper international trade.

* A/68/150.

13-41079 (E) 120813 230813

Contents

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 66/186 of 22 December 2011, on unilateral economic measures as a means of political and economic coercion against developing countries, in which 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 and to study their impact on the affected countries, including the impact on trade and development, and to report to the Assembly at its sixty-eighth session on the implementation of the resolution.

3. Accordingly, the Secretariat, in a note verbale dated 12 April 2013, invited the Governments of all Member States to provide their views and any other relevant information regarding the existence of unilateral sanctions and the impact these may have had on their trade and development. A total of 18 Member States replied to that request. The replies are reproduced in annex I to the present report.

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. Two organizations responded to that invitation. The replies received from the 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 Secretary-General’s request for their views on the issue expressed their disagreement with the imposition of unilateral 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 rule-based multilateral trading system, and as undermining the sovereign equality of States.

6. Member States that identified themselves as countries subjected to coercive economic measures, including Cuba, the Islamic Republic of Iran, the Sudan and the Syrian Arab Republic, expressed concerns about the negative impact of unilateral economic measures on their socioeconomic development.

7. Other respondents expressed their concerns about the adverse impact on the economic development and living standards of the countries that face such measures. Member States were of the view that unilateral sanctions tended to have severe humanitarian consequences and negative effects on vital economic sectors of the affected countries, thereby harming the welfare of the population.

8. The Economic and Social Commission for Western Asia (ESCWA) provided a summary of the latest developments in three of the economies it monitors — the

Occupied Palestinian Territory, the Sudan and the Syrian Arab Republic. ESCWA indicated that unilateral sanctions have hampered the trade and development trajectory of those economies.

9. The United Nations Conference on Trade and Development (UNCTAD) provided a summary of the latest developments relating to the Occupied Palestinian Territory. Unilateral measures have negative consequences for poverty and employment, and lead to the economic isolation and fragmentation of the Territory.

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

10. There have been 26 new cases of unilateral economic measures since 2000.[1] These cases can be categorized into three groups. The first group refers to the introduction of new actions in cases of long standing, such as Cuba, the Democratic People's Republic of Korea, the Islamic Republic of Iran and the Occupied Palestinian Territory. The second group refers to cases initiated after 2000 and no longer in effect, including the Central African Republic, Guinea, Haiti, Honduras, and Uzbekistan. The third group refers to ongoing cases, such as Belarus, Côte d'Ivoire, the Democratic Republic of the Congo, Fiji, Georgia, Guinea-Bissau, Iraq, Lebanon, Liberia, Libya, the Republic of Moldova, Somalia, the Sudan, the Syrian Arab Republic, Tunisia, Yemen and Zimbabwe.

11. Recent trends suggest that the use of smart (or targeted) sanctions, such as an arms embargo, asset freeze or travel ban, has been increasing, while the use of a broadly defined trade embargo is still significant. Evidence indicates that unilateral measures, especially broad trade embargoes, can have severe adverse consequences for human rights, people's welfare, and the long-term growth prospects of the affected country.[2] The magnitude of the impact on social and economic development of the affected countries depends on a wide range of factors. Thus impact can be properly assessed only on a country-by-country basis.

[1] Data were obtained from Gary Hufbauer and Julia Muir at the Peterson Institute for International Economics.

[2] Choonara, Imti, "Economic sanctions and child health", *Medicine, Conflict and Survival*, vol. 29, issue 2, 2013; Peksen, Dursun, "Better or Worse? The Effect of Economic Sanctions on Human Rights", *Journal of Peace Research*, vol. 46, No. 1 (January 2009), pp. 59-77.

Annex I

Replies received from Member States

Brazil

[Original: English]
[16 May 2013]

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

Brazil has not been affected by economic sanctions during the period 2010-2012.

Brazil is deeply concerned with the proliferation of unilateral coercive measures, especially economic and financial sanctions, as a tool of international policy. There is no provision under the Charter of the United Nations for the application of unilateral sanctions, which are conditioned upon a decision of the Security Council. According to Chapter VII, a "complete or partial interruption of economic relations" is subject to a Security Council decision. The trade policy autonomy of Member States should not be allowed as a subterfuge to justify the misuse of economic measures for undue pressure over other States. Under Chapter VI, Member States agree to exhaust ("first of all") every peaceful and diplomatic means — negotiation, mediation, conciliation and other equivalent processes — to find a solution. Coercive measures foreseen under Chapter VII must be adopted by the Security Council, on an exceptional basis, only as a last resort.

The effectiveness of economic sanctions is highly debatable, as shown by the track history of their use. The norms of international law usually invoked to justify economic sanctions are those invariably violated by unilateral measures. Humanitarian impact and severe losses among the civilian population are frequently disregarded, as tragically experienced in Iraq and currently evidenced in Iran and Syria. Major harmful effects of such unilateral measures end up falling upon the very same civilian population they claimed to protect in the first place. "Target sanctions", "smart sanctions" and other conceptual and operational adjustments have not proved sufficient to prevent, in many cases, deleterious effects for the vast majority of innocent citizens of the targeted countries. The United States decades-long embargo on Cuba is another example of the ineffectiveness of unilateral sanctions, which will be the object of Member States' comments for the report of the Secretary-General in response to resolution 67/4.

Unfortunately, this logic of mass punishment has been observed not only in the adoption of unilateral measures, but also in sanctions imposed by the Security Council. Sanctions allegedly applied to curb violations of human rights are those which paradoxically burden the same population they claimed to protect. Syria is the most recent case in point. The Commission of Inquiry on the Syrian Arab Republic established by the Human Rights Council has revealed "crippling effects" of the sanctions regime on the local economy. The ensuing market distortions, which included an inflation rate of more than 50 per cent, have substantially contributed to a progressive and worrisome deterioration of the living conditions of the civilian population.

Brazil disputes the interpretation that unilateral sanctions act as "countermeasures" to induce a State to end the infringement of certain norms of international law. Even if this were the case, there should be acceptance of clear parameters of legality, such as proportionality, to provide guarantees that fundamental human rights will not be put at risk. Once again, this kind of interpretation does not relieve Member States of their ongoing obligation of previously exhausting all peaceful efforts for a negotiated outcome, as authoritatively stated in draft articles 50, 51 and 52 on the Responsibility of States for Internationally Wrongful Acts, adopted by the International Law Commission.

In Brazil's perspective, insisting on the adoption of sanctions as a preferential tool for the settlement of disputes is a menace not only to full enjoyment of human rights but also to the legitimacy of the international system as endorsed by the Charter of the United Nations. In this regard, unilateral sanctions are an outright violation of the Charter and should be immediately eliminated. In the face of today's complex challenges to peace and security, the most adequate and efficient way to ensure peace and stability and the full enjoyment of human rights is renewing the commitment of the international community to conflict prevention, diplomacy and other instruments for peaceful settlement of disputes. Diplomacy is still the best assurance of legitimate and sustainable political arrangements. In those cases where sanctions are deemed to be necessary, they must always be, without exception, adopted with the authorization of the Security Council, bearing in mind that sanctions must be imposed on an exceptional basis and after exhausting all political and diplomatic means.

Burundi

[Original: English]
[24 April 2013]

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

Burundi has not been affected by economic sanctions during the period 2010-2012.

The use of unilateral coercive economic measures against developing countries hampers the promotion of the development of poor countries, and disorganizes the international system as a whole to the detriment of the needy populations of the South.

Colombia

[Original: English]
[24 April 2013]

Colombia does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Such measures could cause serious disruption in growth and commerce.

Colombia has not been affected by economic sanctions during the period 2010-2012.

Cuba

[Original: Spanish]
[7 May 2013]

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

Cuba has been affected by economic sanctions imposed by the United States of America during the period 2010-2012.

The imposition of unilateral coercive economic measures as a means of exerting political and economic pressure on developing countries is a flagrant violation of international law and of the aims and principles enshrined in the Charter of the United Nations. In particular, it infringes a sovereign State's right to peace, development and security.

Such measures breach the principle of peaceful coexistence among sovereign States and constitute a persistent threat to a country's stability, while encroaching upon the right of peoples to self-determination, 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 in an attempt to overturn the system of government chosen by the Cuban population in exercise of its sovereignty.

The United States economic, commercial and financial embargo constitutes the primary obstacle to Cuban economic development. The complex framework of laws and legal provisions governing this policy has not been dismantled, leaving its legal basis intact. The political, administrative and repressive machinery has been strengthened in order to make the embargo more effective and in particular to pursue and interfere with Cuban financial transactions throughout the world.

The embargo remains distinctly extraterritorial in nature, as its impact extends beyond the United States and affects companies and citizens of third countries.

The authorities of the United States Government harass, threaten and impose penalties on companies with trade ties to Cuba in every corner of the world, regardless of their origin, assets or links to the United States. Moreover, the policy disregards the host country's relations with Cuba, its laws and the rules of international law.

Interference in Cuba's financial transactions with third countries is increasing, regardless of their relations with it, the currency they use or their current banking regulations.

The embargo against Cuba has been the longest and harshest imposed on any country. Although it was officially decreed in 1962, in practical terms it began to be implemented as soon as the Cuban revolution triumphed in 1959. By its nature, it constitutes an act of genocide under article 2 (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 accumulated direct economic damage caused to the Cuban people by the United States economic, commercial and financial embargo by December 2011, taking into account the depreciation of the dollar against the price of gold in the international market, amounted to $1.066 trillion. At current prices, the damage amounts to more than $108 billion, based on very conservative estimates.

The embargo leads to shortages and suffering for the population, hampers and delays Cuba’s development, and seriously harms the country’s economy. It continues to be an absurd, illegal and morally unsustainable unilateral policy that will not crush the firm resolve of the Cuban people to preserve its sovereignty, independence and right to self-determination.

The economic, commercial and financial embargo imposed by the United States against Cuba is opposed by growing sectors of United States society and the international community, whose fervent and increasing calls to end it and normalize bilateral relations continue to be ignored by that country’s successive administrations. The United States must lift the embargo unconditionally and without delay.

The Government of the Republic of Cuba is also concerned at the increasing use of unilateral economic measures, by select countries or groups of countries, as a means of exerting political and economic pressure on developing nations. Reiterating its strongest condemnation of such measures, Cuba calls on the international community to take immediate action to eliminate their use, in accordance with the principles of international law and the letter and spirit of the Charter of the United Nations.

Egypt

[Original: English]
[30 April 2013]

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 period 2010-2012.

Iran (Islamic Republic of)

[Original: English]
[6 May 2013]

Iran does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. It runs counter to the principles of international law governing the relations among States and contradicts the letter and spirit of the Charter of the United Nations.

Iran has been affected by economic sanctions during the period 2010-2012. For years, Iran has been under United States and some other countries’ unilateral sanctions, which has seriously jeopardized the legitimate rights and interests of the people and still continues.

It is inhuman and against the sovereign right of all countries to expand trade and economic relations with others, and is damaging to all aspects of the rights of people, including freedom of trade, finance, movement and navigation, and is a distorting factor for the social and environmental development of the country and the region as a whole, including health, education, etc.

It is a brutal measure contrary to the principles of international law, sovereign equality of States, non-interference in the internal affairs of States and peaceful coexistence among States.

Jordan

[Original: English]
[6 May 2013]

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

Jordan has not been affected by economic sanctions during the period 2010-2012.

Lao People's Democratic Republic

[Original: English]
[13 May 2013]

Lao does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. The imposition of unilateral economic measures has violated the principles of international law as set forth in the Charter of the United Nations and the principles of the multilateral trading system, in particular the principle of sovereign equality of States and the freedom of international trade and navigation. It also has hindered the progress of the country's development and prosperity as well as affecting socioeconomic development, and causes untold suffering to the people in the country.

Lao has not been affected by economic sanctions during the period 2010-2012.

Lao calls upon the international community to make every effort to eliminate and reject the imposition of all unilateral measures as instruments of political and economic coercion against developing countries.

Montenegro

[Original: English]
[25 April 2013]

Montenegro does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. Montenegro strongly supports the adoption of effective measures for the elimination of the use of unilateral coercive economic measures against developing countries that are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations and that contravene the basic principles of the multilateral trading system.

Montenegro has not been affected by economic sanctions during the period 2010-2012.

Nicaragua

[Original: Spanish]
[3 May 2013]

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

Nicaragua has not been affected by economic sanctions during the period 2010-2012.

The Government of Reconciliation and National Unity of the Republic of Nicaragua, in accordance with the purposes and principles enshrined in the Charter of the United Nations and the principles of international law, reaffirms its strong and unwavering respect for the sovereign equality of States, the principle of non-intervention and non-interference in internal affairs, and the freedom of international trade and navigation, as set forth in various international instruments, as well as for other principles that are essential to peaceful coexistence internationally. Nicaragua also reiterates the right of every State to choose its own social, political and economic system free from outside interference. Accordingly, we condemn and reject the implementation of these unilateral extraterritorial coercive measures. As members of the United Nations, we should have the political will to immediately and completely change and restructure the international financial and economic architecture. The central role of the United Nations should be to redefine economic and financial policies and to establish a new economic order, without unilateral sanctions. Nicaragua, as a member of the of Non-Aligned Movement and the Group of 77 and China, rejects the imposition of laws and other forms of coercive economic measures, including unilateral sanctions, against developing countries, as they not only violate the Charter of the United Nations, undermining international law and the rules of the World Trade Organization, but also severely threaten the freedom of trade and investment.

Philippines

[Original: English]
[30 April 2013]

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

The Philippines has not been affected by economic sanctions during the period 2010-2012.

Qatar

[Original: Arabic]
[11 June 2013]

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

The State of Qatar did not impose or implement any decision or take any measures that are not permitted by concerned agencies of the United Nations, or that might contradict the principles of international law in accordance with the Charter of the United Nations, or that might be in contradiction with the multilateral trading system, against any developing country, and it did not take any unilateral decisions in this regard.

Senegal

[Original: French]
[5 June 2013]

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

Senegal has not been affected by economic sanctions during the period 2010-2012.

Such measures are unjust and constitute an obstacle to the development of poor countries. Moreover, the main victims are innocent members of the public. Coercive economic measures limit global trade development and hamper global economic expansion. These practices should be discarded in favour of greater United Nations involvement in the mediation of relationships between sovereign States.

Sri Lanka

[Original: English]
[29 April 2013]

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

Sri Lanka has not been affected by economic sanctions during the period 2010-2012.

Sudan

[Original: English]
[16 May 2013]

The Sudan does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries. If these measures are used to make the targeted governing system comply with the requirements of the imposing countries it is of very limited and minor success: the severe impact is on the livelihood of the country's population.

The Sudan has been affected by economic sanctions during the period 2010-2012.

Sanctions on the Sudan since 1997 affect, inter alia, export and import of goods to and from the Sudan, technology, services and dealing in the interests of the two countries (Sudan and the United States); also transactions relating to oil and petrochemicals. The renewal of unilateral sanctions in November 2012 had a negative impact, especially after the southern secession, leading to increased Sudanese suffering, which affects the possible treatment of economic problems and efforts to bring peace in Darfur and the regions of Blue Nile and the Nuba Mountains.

The impact of unilateral economic measures includes higher prices overall, which affect the life of ordinary people; increasing poverty and unemployment; a decrease in machinery and exports needed for development. Most economic and trade sanctions are imposed by advanced developed countries which possess advanced technology in the manufacturing sector. This results in hardships in developing countries, for example: (1) importing spare parts with the required standards and quality becomes difficult because they cannot be imported directly from the countries of origin; (2) the higher cost of importing spare parts and heavy machinery through a third party leads to increased production costs and reduced market access for the commodities and services produced; (3) difficulties in periodic maintenance lead to continuous deterioration in infrastructure and production capacities; (4) in addition to the tangible exchange of goods, the prohibitions on vital services, such as insurance, hinder the trade and development of the targeted countries; (5) sanctions hinder the flow of capital, foreign investment and official development assistance; (6) sanctions hinder the development and welfare of the targeted countries; (7) sanctions delay the process of accession to the World Trade Organization and also Sudan debt relief.

These sanctions limit the Sudan's access to development aid and international funds to promote local Sudanese industry and enable it to export to the global market. The economic sanctions also affected Sudanese citizens and the infrastructure, such as railroads, resulting in the spread of poverty and low standard of living, and lack of health care, declining levels of education, unemployment and lack of investment. All the above factors led to the collapse of moral values in Sudanese society. Unless these unilateral sanctions are lifted, there will be no development, no investment, no infrastructure. The impact of these sanctions are devastating in the targeted countries. The United Nations should seek means to prevent the use of unilateral sanctions and should eliminate the scope of these sanctions. The United Nations should adopt policies or options to avoid the impact of the sanctions on socioeconomic development.

Swaziland

[Original: English]
[2 May 2013]

The Kingdom of Swaziland views the continued imposition of economic, commercial and financial measures, including the embargo against Cuba since 1960, further enforced by the Helms-Burton Act of 1996, as a violation of the principle of the sovereign equality of States, non-intervention and non-interference in each other's domestic affairs. In addition to being unilateral and contrary to the spirit of the Charter of the United Nations, and to the principle of good-neighbourliness, the embargo against Cuba has caused huge material losses and economic damage to the people of Cuba. The blockade has not only caused incalculable suffering to the people of Cuba but also undermines the legitimate economic interests of third countries.

In line with all previous United Nations resolutions on this item, among others, the Kingdom of Swaziland believes that constructive dialogue is necessary to foster mutual trust and understanding as well as harmony and peaceful coexistence among all nations of the world.

Syrian Arab Republic

[Original: Arabic]
[29 April 2013]

As a matter of principle, the Syrian Arab Republic categorically rejects the imposition by States and regional bodies of all unilateral economic, trade or financial measures outside the framework of legitimacy against developing countries. It also rejects all justifications for the imposition of those measures. In that regard, the views of the Syrian Arab Republic are consistent with full respect for the provisions of international law and the principles and purposes of the Charter of the United Nations, particularly the need to respect the sovereignty and independence of States, refrain from intervening in their internal affairs, develop friendly relations between them and create conditions of stability and well-being in accordance with Article 55 of the Charter. The views of the Syrian Arab Republic are, moreover, based on the clear recommendations contained in numerous resolutions adopted by the Organization and its principal organs, particularly the General Assembly. Most recently, in resolution 66/186, the Assembly prohibited any unilateral measures outside the international framework that are not authorized by the relevant organs of the United Nations, are inconsistent with the principles of international law as set forth in the Charter or contravene the principles of multilateral trade law, and that are imposed as a means of political and economic coercion against developing countries.

All world leaders have affirmed the need to abide by those recommendations in numerous key United Nations conference documents, especially those concerning development. The most recent of these were the outcome document of the United Nations Conference on Sustainable Development and the outcome document of the thirteenth session of the United Nations Conference on Trade and Development. Regrettably, in complete contradiction with the recommendations of the Organization, certain regional bodies and Governments, including those of certain Western and Arab States, have for political purposes imposed unilateral coercive measures of every sort against developing countries. Their aim is to politically and economically blackmail their targets and secure policy changes in their own interests. The measures include ending the provision of development assistance; cutting off economic ties; imposing economic, trade and financial blockades; prohibiting financial and banking transactions; and impeding investment flows to and from developing countries. The States imposing those measures also intimidate and place various forms of pressure on third-country Governments in order to encourage them to follow their example. Other measures are imposed with a view to paralysing the economies of developing countries and undermining their ability to achieve sustainable development for their peoples.

The Syrian Government emphasizes that those coercive unilateral economic measures violate all human rights, including, in particular, the rights to development, health, life and education. Their negative impact is felt principally by the weakest members of society and especially by children, women and persons with disabilities. Their imposition violates the right of peoples to self-determination, including the freedom to determine their political status and pursue economic, social and cultural development in accordance with article 1 of the International Covenant on Economic, Social and Cultural Rights.

The Syrian Arab Republic has suffered extensive losses, especially since the beginning of its current crisis in 2011, owing to unilateral economic trade and financial measures that have been imposed outside the framework of international legitimacy by numerous States and regional bodies, both on an individual basis and as groups. In particular, the participants of the so-called "Friends of Syria" conference adopted a set of unilateral measures which, among other things, they described as "smart" and "targeted". All those terms are merely euphemisms intended to downplay the impact of unilateral economic measures. Although their names may vary, the measures cause the same harm to Syrians' standard of living and violate their right to development. At successive sessions of the so-called "Friends of Syria" conference, participants have imposed a set of sanctions on the Syrian Government and on a number of Syrian companies and businessmen on the pretext that they have engaged in dealings with the Government. That step has hampered the Syrian Government in upholding its constitutional duties in connection with fostering development for the Syrian people. It has caused huge losses in the private sector, which plays a key role in the Syrian economy and, by providing job opportunities for hundreds of thousands of Syrians in workshops, facilities and companies, constitutes an important factor for the promotion of social development in the country. The result has been a significant deterioration in the Syrian economic landscape, particularly in key sectors such as agriculture, industry, commerce, tourism and services. There has been a huge negative impact on Syrian citizens' standard of living, the most important aspects of which include the following:

- The unilateral measures have led to a large increase in the cost of foreign currency exchange in Syria, thereby reducing the purchasing power of the Syrian pound, raising the rate of inflation and substantially increasing the price of goods on the domestic market, particularly basic commodities and raw materials.

- By imposing a financial embargo on Syrian banks, they have made it difficult to finance imports, hindering the procurement of basic commodities and raising their prices.

- They have led to a significant decline in the value of exports and imports. According to the International Trade Centre, exports have fallen from 11.4 billion in 2010 to 6.7 billion in 2011, largely because of decreasing oil production and exportation. As a result, gross domestic product has fallen and the rate of economic development has flagged. Production and incomes have dropped, unemployment has grown and living standards have deteriorated. According to the International Trade Centre, the value of imports has fallen by 14.2 per cent because certain countries have completely stopped exporting their products to Syria or imposed high customs fees, and because of difficulties related to financing.

- They have raised the cost of all modes of transport, causing many carriers to stop working. The vital transport sector, which is of particular importance for trade, has therefore shrunk. Furthermore, certain Governments have put pressure on air transport companies to suspend their flights to Syria, and European and American companies have refused to sell or export spare parts for civilian aircraft to the country. This has created severe difficulties for the Syrian civilian air transport sector and placed the lives of passengers at risk.
- They have reduced the availability of financial resources, thereby damaging the private sector and forcing business owners to dismiss their workers, exacerbating unemployment and poverty.
- They have made it difficult for Syrians living abroad to transfer money to Syria.
- Particularly by increasing the cost of foreign currency exchange and impeding financial transfers, the measures imposed on the financial and banking sectors have made it extremely difficult for the Syrian authorities to provide medicines and medical supplies, including spare parts for medical equipment in hospitals and health centres. They have made it difficult to meet children’s nutritional needs and to import primary materials used in the domestic production of medicines.
- Western States have targeted the Syrian oil sector, notably by putting an end to oil imports and prohibiting international companies from importing oil. The result has been a severe shortage in the fuels used for electricity generation, heating and industry, with considerable repercussions for the lives of Syrians, especially during the winter cold. The inability to preserve medicines and vaccines has caused considerable hardship, particularly for women and children. Moreover, European and other banks have stopped financing electric power stations in Syria, even though they are civilian utilities aimed primarily at serving Syrian citizens.

Our overview of the direct and indirect losses to the Syrian economy shows clearly that the coercive unilateral economic measures imposed by certain Governments have had a disastrous humanitarian, economic and social impact on Syrian citizens and on their right to obtain basic needs, including food, water, health, education and electricity. The negative impact of the unilateral measures imposed by certain States is a fitting complement to the actions of foreign-backed armed terrorist groups, which have systematically destroyed Syria’s economic infrastructure, in particular by deliberately looting and sabotaging Syria’s industrial zones and tourist facilities, especially in Aleppo, the economic capital of Syria.

The Syrian Arab Republic stresses the importance of immediately ending policies that impose unilateral economic, financial and trade measures as a means of political and economic coercion against developing countries. On the one hand, past and current experience has clearly proved that such measures harm the peoples of the affected developing countries as they pursue sustainable development, decent living standards and an end to poverty, fear, unemployment and disease. On the other hand, those measures have not, and will not, achieve any of their objectives, namely to change the policies of the affected developing countries; the latter will continue to uphold the principles of independence, justice, sovereignty and non-interference in their internal affairs. The Government of Syria believes that the imposition of such inhumane measures by certain Governments fosters enmity between peoples. It gives the impression that those Governments are practising shameful double standards: while talking extensively about human rights, justice and democracy, they deprive other States of those very rights. As a result, States that impose such measures lose what remains of their credibility in the eyes of their peoples and of the world. In the light of the above, the Syrian Arab Republic requests that an independent United Nations body should be established to evaluate the negative effects of coercive unilateral measures and the extent to which they contravene international law, the Charter of the United Nations and human rights principles. Syria further requests that States that impose those measures on developing countries must be held accountable and must provide compensation to mitigate the damage to the Governments and peoples of the countries they have targeted.

Turkey

[Original: English]
[16 May 2013]

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

Turkey has not been affected by economic sanctions during the period 2010-2012.

Unilateral sanctions, especially those with extraterritorial effects, impact not only the targeted countries, but third countries as well, having an adverse effect on international trade and economic cooperation on a global scale. United States and European Union sanctions imposed on Iran, especially those targeting the energy and banking sectors, constitute current examples of sanctions having far-reaching effects, profoundly affecting third countries in the process.

Unilateral sanctions imposed on Iran target, among others, the energy and banking sectors, which unequivocally hurt the economies of many third countries and disrupt legitimate trade.

We believe that sanctions applied in accordance with the Charter of the United Nations are an important tool for the maintenance of international peace and security. To be credible and effective, they must be targeted carefully and take into account applicable rights of due process for the individuals concerned and the need to minimize their adverse consequences for third parties. In this sense, “smart sanctions”, which target the specific regimes in countries without harming the civilian populations, should be at the heart of the United Nations sanctions system.

Annex II

Replies received from United Nations bodies and other international organizations

Economic and Social Commission for Western Asia

[Original: English]
[3 May 2013]

On unilateral economic measures as a means of political and economic coercion against developing countries, the Economic and Social Commission for Western Asia (ESCWA) reported the following:

Such punitive measures negatively affect populations of a developing country but in many cases miss the specific targets of such a unilateral imposition. This "collective punishment" places significant burdens on citizens and disproportionately affects vulnerable groups, including children. Such measures lead to falling incomes, which directly affect the Millennium Development Goals and bring about a deterioration in pro-Millennium Development Goal budgets. It is also contrary to General Assembly resolution 64/189.

ESCWA has observed countries affected by economic sanctions during the period 2010-2012 as follows:

Target countries	*Nature of sanction*	*Country imposing sanction*	*Date sanction was imposed*	*Sanction still binding?*
Palestine	Mobility restrictions and economic blockade (Gaza Strip)	Israel	Mobility restrictions 2000	Yes
			Economic blockade: June 2007 (Gaza Strip)	
Sudan	Economic, trade and financial sanctions	United States of America	1997	Yes
Syrian Arab Republic	Economic, sanctions (general export ban for non-food or medicine items)	United States of America	2002	Yes
		European Union	2011	

ESCWA reports the impact of the above-mentioned 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. In addition the Sudan suffered an economic downturn after the secession of South Sudan in July 2012 and the consequent loss of the major petroleum fields and their income. This has led to inflation and the deterioration of the Sudanese currency in a significant and rapid manner. The Sudanese Government has formulated an economic recovery strategy, the implementation of which is hampered in part by United States sanctions.

The lack of economic and technological contact with the United States leaves the Sudanese industries at a disadvantage. This policy has led to the suffering of innocent civilians in the Sudan under a Government targeted by American trade sanctions.

The banning of exports and imports between the Sudan and the United States has also hurt local industries and consumers. Industries are unable to access the largest economy in the world while also missing out on technological goods and services from the United States, leading to inefficiencies in the industrial sector. Consumers are unable to purchase American goods and services which may be of better quality than the ones available to ordinary Sudanese. The sanctions also curtail employment growth; given the high birth rate, youth bulge and high youth unemployment rates in the Sudan, these sanctions tend to disproportionately affect 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. Access restrictions to the American market hamper exports and decrease potential income, with negative repercussions for economic development in the country, and delay the potential achievement of Millennium Development Goal targets.

Syrian Arab Republic

The banning in 2002 of exports of United States products to the Syrian Arab Republic other than food and medicine placed a trade and development burden on the country, as a range of goods and services for development purposes became either unavailable or are restricted at a higher price than those from non-American sources. The Syrian Arab Republic, particularly the Government and the business sector, have been adversely affected by the technological sanctions (infrastructure, hardware, software and user licences), which led to weak implementation of national strategies for using information and communications technologies for development.

Furthermore, the Syrian Arab Republic has been facing an escalating crisis, turned all-out conflict, since March 2011. The effects of this crisis/conflict have been detrimental to the Syrian people and economy. The European Union imposed sanctions on the Syrian Government while the United States tightened the sanctions it had already imposed. The ban on Syrian oil exports imposed by the European Union has been the most significant of the new sanctions.

However, given the scale and ferocity of the violence in the Syrian Arab Republic, it is difficult to assess the isolated impact of the sanctions.

Palestine

The economic and movement restrictions have heavily affected Palestine across every facet of society. Economically, the Palestinian economy has become heavily dependent on both foreign aid and the Israeli economy. Heavy restrictions on imports have led to shortages of many basic commodities required for maintaining the Palestinians' standard of living. Export restrictions have also curtailed trade with the outside world and ensure Israeli hegemony over the Palestinian economy. Unemployment remains worryingly high, and has forced the Palestinian authorities to engage in hiring staff at the cost of an inefficient allocation of labour just to prevent skyrocketing marginalization of the labour force. The realization of the Millennium Development Goals remains difficult in the face of budgetary, institutional and infrastructural constraints, which can be directly attributed to the imposition of such restrictions.

In spite of changes to its provisions, the Israeli blockade on the Gaza Strip has had significant ramifications for 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 to begin with. This leads to poor water and electricity supply, which significantly impedes economic, and hence employment-generating, activities. The impact on the citizenry is both negative and widespread, leading to adverse educational, health (including psychological health), and income outcomes.

In addition, ESCWA comments that:

- Previous and ongoing experiences of unilateral sanctions in the Arab region have shown that they create more tension and frustration, with an overall adverse effect on society and population.
- 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 European countries. Thus, whereas sanctions are usually meant to weaken a government and/or pressure it to take certain steps or change policies, the result tends to be increased anti-Western sentiment and 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]
[7 May 2013]

On unilateral economic measures as a means of political and economic coercion against developing countries, the United Nations Conference on Trade and Development (UNCTAD) reported the following:

UNCTAD does not agree with the imposition of unilateral economic measures as instruments of political and economic coercion against developing countries, as declared at the thirteenth session of UNCTAD at Doha, in the Doha Mandate (TD/500/Add.1):

- 25. States are strongly urged to refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impede the full achievement of economic and social development, particularly in developing countries, and that affect commercial interests. These actions hinder market access, investments and freedom of transit and the well-being of the populations of affected countries. Meaningful trade liberalization will also require addressing non-tariff measures including, inter alia, unilateral measures, where they may act as unnecessary trade barriers.

- 31(m). [UNCTAD should] continue to assess the economic development prospects of the occupied Palestinian territory and examine obstacles to trade and development, and should strengthen its programme of assistance to the Palestinian people with adequate resources and effective operational activities, as part of the international community's commitment to building an independent Palestinian State, and with a view to alleviating the adverse economic and social conditions imposed on the Palestinian people, in line with the Accra Accord.

UNCTAD reports that the Occupied Palestinian Territory has been affected by economic sanctions imposed by Israel. Economic measures included construction of the separation barrier (commenced in 2002); closure policy imposed in the West Bank (first imposed in mid-1990 and intensified since September 2000); economic blockade on the Gaza Strip since mid-2007; restrictions on the free mobility of Palestinian people and goods to, from and within the Occupied Palestinian Territory since 2007; and restrictions on importing inputs and factors of production for the agriculture and manufacturing sectors. Moreover, Israeli control of Palestinian trade routes and trade data results in significant public revenue loss to the Palestinian Authority.

UNCTAD reports significant impact of the above-mentioned sanctions on the Occupied Palestinian Territory. Since 2000 Israel has intensified its closure policy, which restricts the movement of Palestinian people and goods within, to and from the territory. These restrictions were made worse by the ongoing construction of the 709-km separation barrier. Palestinian economic development has been rendered impossible by the Israeli policies of internal and external restrictions on the movement of people and goods, the decimation of the Palestinian productive base, land and natural resources due to the separation barrier and to the continuing expansion of Israeli settlements in the Occupied Palestinian Territory.

These measures result in deepening and widening the already high poverty rates, have led to extremely high unemployment rates and systematic de-development, and increase the economic isolation and fragmentation of the Occupied Palestinian Territory. These restrictions and the atrophy of the productive base not only undermine the viability of existing businesses and push them towards bankruptcy, but they also discourage potential domestic as well as foreign investment. In such a grim economic environment the private sector has been paralysed, while government investment in infrastructure remains constrained by both the occupation and the resulting fiscal crisis.

Restrictions on Palestinians' access to natural and economic resources as well as restrictions on importing factors of production and inputs to the Palestinian manufacturing and agriculture sectors have stunted Palestinian development through multiple channels. As a result of these restrictions half of Gaza's arable land is rendered inaccessible to Palestinian farmers, while the recurrent Israeli military offensives have decimated the productive base and battered the remaining arable land. Another related constraint on Palestinian economic development is the inability of Palestinian producers to access scale economies, which leads to inefficiency and limits the range of goods produced for the purposes of export and domestic consumption. The barriers to the movement of goods and people within the Occupied Palestinian Territory have fragmented what is left of the economy into isolated, disconnected islands and given rise to substantial price differentials, limited factor mobility and limited exchange of goods and services.

The Palestinian Authority has continuously had to contend with the occupation-related fiscal instability, the volatility of the tax base, and the vulnerability of the level of economic activity to the Israeli closure policy and recurrent military confrontations. Another major source of fiscal instability is rooted in Israeli control over the tax and customs clearance revenue that it collects on behalf of the Palestinian Authority. Israel has often resorted to withholding tax and customs clearance revenue on account of unilateral considerations. Such unpredictability makes fiscal planning difficult, undermines the Palestinian Authority's ability to pay the private-sector agents who supply it with goods and services, and threatens its ability to pay the salaries of more than 150,000 public employees.

Moreover, the Palestinian Authority fiscal space is diminished by "indirect imports" from Israel. A significant portion of what is officially recorded as imports from Israel are actually goods produced in a third country and then re-exported to the Occupied Palestinian Territory as if they had been produced in Israel. Customs revenue from much of these "indirect imports" is collected by the Israeli authorities but not transferred to the Palestinian Authority, as they are not labelled as being destined for the Occupied Palestinian Territory. The fiscal loss to the Palestinian Authority mirrors a fiscal gain to Israel arising from its control over Palestinian trade routes and trade data. In addition to the fiscal cost of "indirect imports", the Palestinian economy pays a greater cost in terms of the additional gross domestic product and employment that could have been generated had these fiscal resources been available to stimulate the economy.[a]

[a] For details, see the UNCTAD reports on assistance to the Palestinian people for 2011 and 2012 (TD/B/58/4 and TD/B/59/2).