

ISSUE[IRAQ/KUWAIT]
CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]
SPKR[Kostov] MS[Bulgaria] FCT[Invitee] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Made a statement]

ISSUE[IRAQ/KUWAIT]
CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]
SPKR[Fareed] MS[DIEC] FCT[Secretary] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Presented more detailed information on the economic situation in Bulgaria: Bulgaria (population 9m.) was considered a semi-developed country and in 1989 had a gross domestic product of \$1,900.00 per capita. In the first six months of 1990, the economic situation had deteriorated sharply: the volume of exports has decreased by 19% and imports were down by 9%. In addition, there had been an abrupt downward shift in its economic relations with the Council for Mutual Economic Assistance (CMEA), with which Bulgaria conducted the bulk of its trade. Unemployment had risen substantially and inflation was currently estimated to be 20-25%. In 1988, exports to Kuwait had amounted to \$4.8 m. Its trade with Iraq, one of eight developing countries having co-operant status with CMEA, was more significant.]

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SPKR[Fareed] MS[DIEC] FCT[Secretary] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[In 1988, exports to Iraq had amounted to \$475 m. and imports from Iraq had totalled \$504 m. Bulgaria's external debt at the end of 1989 amounted to \$10.4 bn., with an expected debt servicing rate of \$3.36 bn. in 1990. In March 1990, Bulgaria had been compelled to declare a moratorium in its debt repayments. It had applied for accession to the IMF and the World Bank which were expected to assist in rescheduling its debt.]

ISSUE[IRAQ/KUWAIT]
CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Procedure]
SPKR[Kirsch] MS[Canada] FCT[Chairman] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Appealed to the members for suggestions on a preamble and operative part of a recommendation to be presented to the Sanctions Committee.]

ISSUE[IRAQ/KUWAIT]
CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]
SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Noting that Bulgaria's serious situation had existed even before the crisis, asked that the Group concentrate on the direct effects of the implementation of sanctions; in general, the crisis had aggravated the already weak economic situation of many of the countries applying for assistance.]

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SPKR[Fareed] MS[DIEC] FCT[Secretary] LANG[1]
ITEM[Article 50: Bulgaria]

TXT[Observed that the information submitted by Bulgaria was the best information currently available.]

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SPKR[Floorean] MS[Romania] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[Stressed that the bulk of losses incurred by Bulgaria were directly attributable to the crisis.]

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CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]

SPKR[Graham] MS[United States] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[Noted that the problems delineated by Bulgaria were very clear, namely, the sizeable uncollected payments from Iraq, the interruption in oil deliveries from Iraq, and the decline in the supplies which would normally have been provided by the USSR. The members of the Group should note that the cases of many of the countries which had applied for assistance under Article 50 were currently under discussion at the World Bank and the IMF. There could be no doubt that the Government of Bulgaria was fully committed to the implementation of sanctions.]

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SPKR[Lemerle] MS[France] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[Emphasised that Bulgaria's predicament was especially severe as it was engaged in a process of transition to a market economy. The greatest damage had occurred in Bulgaria's balance of payments.]

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CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]

SPKR[Kamal] MS[Malaysia] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[Requested a compilation of an 'economic severity index'.]

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CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Procedure]

SPKR[Kirsch] MS[Canada] FCT[Chairman] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[In response to a suggestion by Malaysia, requesting the compilation of an 'economic severity index', the Chairman repeated that the Group's primary task was to give the political impetus to encourage economic assistance by States and organizations.]

ISSUE[IRAQ/KUWAIT]

CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]

SPKR[Harrison] MS[United Kingdom] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]

TXT[Commented that the Bulgarian application was relatively easy to deal with and generally corresponded to the areas laid out in WG/1.]

ISSUE[IRAQ/KUWAIT]

CAT[661WG] MTG[3] DATE[11/9/90] TYPE[Intervention]

SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]

ITEM[Article 50: Bulgaria]
TXT[Proposed that the Bulgarian communication S/21477 form the basis of a recommendation to the Security Council.]

ISSUE[IRAQ/KUWAIT]
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SPKR[Lozinskiy] MS[Soviet Union] FCT[Member] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Drew attention to two aspects: 1) the relative seriousness of the losses suffered by Bulgaria because of the size of its economy; and 2) the effects of the interruption of oil supplies from Iraq which could not be fully replenished by the Soviet Union.]

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SPKR[Graham] MS[United States] FCT[Member] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Requested the Chairman to prepare a draft recommendation to the Sanctions Committee; delegations could offer further suggestions.]

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SPKR[Kirsch] MS[Canada] FCT[Chairman] LANG[1]
ITEM[Article 50: Bulgaria]
TXT[Summarized his impression of the discussion, in which he sensed general agreement: 1) Bulgaria's economic situation was in large degree due to its implementation of sanctions; 2) As this was the first case with which the Group was dealing, its approach need not represent a model for the subsequent treatment of other applications; 3) In future, the Group's work might be expedited if a paper could be prepared prior to the discussion of each case; 4) The succinct style of the presentation by the Permanent Representative of Bulgaria would be welcome in future appearances before the Group.]

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SPKR[Al-Alfi] MS[Yemen] FCT[Member] LANG[1]
ITEM[Article 50]
TXT[Asked for the preparation of a timetable for treatment of the remaining applications.]

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SPKR[Floreaan] MS[Romania] FCT[Member] LANG[1]
ITEM[Article 50]
TXT[Requested the inclusion in the preamble of any recommendation of a reference to the right of all countries to apply for assistance under Article 50.]

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SPKR[Fareed] MS[DIEC] FCT[Secretary] LANG[1]
ITEM[Article 50]
TXT[Agreed to revise WG/2 in light of the comments made at the Group's second meeting in time for the next meeting. Yemen proposed that this then be transmitted to all countries invoking Article 50.]

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SPKR[Kirsch] MS[Canada] FCT[Chairman] LANG[1]

ITEM[Article 50]

TXT[Agreed to prepare a draft recommendation for discussion at the next meeting of the Group, which he intended to convene prior to the next meeting of the Sanctions Committee.]