

- The Uruguay Round imposes disciplines on the use of trade-related investment measures (TRIMS). TRIMS are government-imposed obligations on investors, which are likely to have an effect on trade. A country's use of TRIMS and the uncertainty of what future rules on TRIMS may bring can deter foreign investment. The MTN result provides greater certainty and lessens the likelihood that the use of TRIMS will distort trade and investment flows among the LDCs themselves. For example, to take a general case, given a large LDC market (A) and a small neighbouring LDC market (B), all things being equal (A) would likely receive a substantial share of foreign investment because of its large market size, but (B) would also be a possible investment location, if only to provide cost-competitive inputs for production based in (A). With no discipline on the use of TRIMS, however, (A) could condition fuller access to its market on investors sourcing more inputs domestically, thus discouraging firms from investing in (B). The TRIMS reforms thus lessen the market power of large versus smaller and often poorer developing countries.
- The effect of the Round's trade-related intellectual property (TRIPS) agreement on the developing countries is unclear. The basic difficulty during the negotiations was arriving at a compromise between the interests of countries advocating strong intellectual property holder's rights against those countries stressing their right to have access to innovation and seeking to minimize the extent of multilateral restraints on national intellectual property policies. The TRIPS agreement could reduce the developing countries' welfare by increasing transfers to the developed countries. Conversely, the implementation of stronger intellectual property rights will provide greater certainty that should encourage investment and technology transfer toward certain developing countries - a point that has been made publicly by the Indian government.
- The Round's agreements on trade rules will lead to more secure and predictable access to markets. This is a benefit for all countries, but particularly for the developing nations that otherwise have little bilateral negotiating leverage. During the Round, the developing countries favoured new disciplines on the use of import restrictions related to emergency safeguards (GATT Article XIX), anti-dumping, and subsidy/countervail. As with most countries, including Canada, the developing countries were concerned with the potential abuse of GATT rules by the U.S. and the E.U.. Substantial improvements were achieved with regard to new disciplines on safeguards and countervailing duties, including, in the case of safeguards, a commitment to eliminate voluntary export restraints/orderly marketing arrangements that have negatively affected LDC exports.