

Conversely, for the corporate sector, Doha was much less interesting than Punta del Este, where the Uruguay Round was launched. Investment is not that big an issue any more, perhaps because the web of bilateral and regional agreements that contain provisions dealing with investment have effectively dealt with pressing issues. Similarly, the corporate sector has little concern about competition policy within the multilateral framework, provided only that the United States and the European Union can sort out their bilateral concerns.

The Competition from Regionalism

The ongoing activity towards deeper regional economic agreements remains a major issue for the multilateral system. The WTO's disciplines on regional agreements (Article XXIV, which requires most importantly that substantially all trade be covered by a preferential trade regime for it to be consistent with multilateral obligations) remain untested.²⁷ In good measure, it was suggested, this reflects the clouded meaning of Article XXIV: does it cover substantially all of existing trade (which may be quite small) or substantially all potential trade (which might be much broader).

Concern about regional trade agreements has generally been muted because of the general consensus that, on balance, the trade that they create exceeds, often substantially, the trade that they divert. On the other hand, the deepening of trading blocs weakens the apparent significance of the multilateral system to those who actually take part in trade—businesses—even though multilateral liberalization is vital in minimizing the distortionary effects of regional pacts by squeezing the available margin of preference that they can provide.

Moreover, for developing countries, the jury must remain out on whether regional pacts help or hinder. East Asia, which

²⁷ Many regional trade arrangements have been notified to the WTO in accordance with obligations to which members are subject; however, to date, there has not been a single ruling concerning whether any particular trade arrangement is consistent with Article XXIV.