

Uruguay Round result, once fully implemented, will leave some tariff protection in place, but clearly the reform in this product category will bring substantial benefits to the LDCs. Some economies such as Hong Kong, Taiwan and South Korea, will face increased competition as the large rent-generating quotas they now enjoy will be eliminated. Other developing countries, such as low-cost producers in India, Pakistan, China and Bangladesh, are likely to benefit from the increased market access.

- Reductions in tariffs on tropical products will be of benefit to the developing countries, particularly for Latin Americans and Asians. One possible exception to this is with respect to the E.U., where the ACP countries, largely African and small island nations, will face greater competition and, possibly, reduced exports or at least slower export growth. Under the Lome agreement with the E.U., the ACP countries receive preferential market access. With the E.U. lowering its tariffs for all producers of tropical products as a result of MTN commitments, the preferential tariff margin that the ACP countries now enjoy will shrink. This said, increased openness in the U.S., Japan, Canada, Australia, and non-E.U. European countries will be of benefit to all tropical product producers, including the ACP nations.
- The Round's agricultural agreement improves market access, increases disciplines on subsidies that distort trade, and helps to ensure that health and sanitary regulations will not be used as easily as disguised barriers to trade. A number of developing countries are agricultural exporters, such as Argentina, Brazil and Thailand, and are members of the Cairns Group, which played a key role in liberalizing trade in agricultural products. Other developing countries, such as Morocco, Nigeria, Jamaica and Egypt, are net food importers. Thus they hold the view that export subsidies by the E.U. and U.S. are not altogether negative policies from their vantage point. The bottomline for the net food importers is that higher food import prices could exacerbate their foreign payments difficulties, although in many instances the growth generated by improved market access for their exports and better trade rules should more than compensate. Nonetheless, the Final Act takes into account more fully the net food importers' concerns (see below).

Trade Rules and the "New Issues"

- GATT Article XVIII, which allows developing countries more leeway to use trade restrictive measures for economic development purposes, has been retained.