

Governments would have been more likely to yield to the demands of special interest groups, given that they would have been unable to use the argument that other countries "play by the rules". In this situation, the smaller trading countries, with little negotiating leverage, would probably have been forced to accept a managed trade regime that could have further restricted their exports. In general, a more adversarial trading system would likely have prevailed had the Round failed. No one would have benefited from such a development, particularly the developing countries.

Market Access

- Market access negotiations will likely go into late March 1994. Thus the final results of the package are not yet fully known. The developed countries have agreed to eliminate tariffs in a number of sectors and to reduce remaining tariffs by an average of one third by the year 2000. Improving market access in developed countries for imports of many manufactured products from the developing countries is mainly of immediate interest to the LDC export leaders (ASEAN, China, India and many Latin American countries), and not the majority of Commonwealth or Francophonie members. This said, any increased market access opportunities in the developed countries should reinforce the attractiveness of outward-oriented development strategies for all developing countries over time.
- The textile and clothing negotiation was a priority for the developing countries. The developing countries succeeded in having the highly protectionist Multifiber Arrangement eliminated. Under the MFA, exports from developing countries are limited by export quotas resulting from bilateral agreements negotiated with individual developed countries. The Uruguay Round agreement on textiles and clothing will liberalize the developed countries' markets over a ten year period, reducing tariff protection and eliminating the MFA quota system. The average tariff-equivalents of MFA quotas have been estimated to be approximately 25 per cent for clothing and 15 per cent for textiles. The effect that the MFA and tariff barriers have on developing countries has been a matter of considerable speculation for years, but it has been estimated that the elimination of quotas and all tariffs on developed countries' textiles and clothing imports would increase the developing countries' welfare by around U.S. \$8 billion.¹ The

¹ The same estimate indicates that welfare gains in developed countries would be approximately U.S. \$15 billion.