

But others disagreed that it is possible to divorce the Doha Round outcome from the issue of continued effectiveness of the multilateral system. They argued that there are several potential instabilities in the system: non-implementation of panel recommendations, friction over implementation of Uruguay Round commitments by developing countries, and the related problem that agriculture was only partly completed in the Uruguay Round and a follow through is key to completing that deal. These sources of instability need to be addressed early, it was argued, in the Doha Round.

The impasse over TRIPs and public health was identified as another immediate flashpoint which could be a make or break item leading up to Cancun (and perhaps even beyond, given the role of this issue in eroding essential public support for the trade system worldwide).

Another concern raised was that competitive regionalism and bilateral deals are putting the central Most Favoured Nation principle at risk and creating constituencies that will resist further multilateral liberalization. While regional/bilateral arrangements continue to produce interesting experiments in rulemaking that might serve as templates for an international agreement (e.g., the FTAA work towards an investment code), other aspects are more worrisome (e.g., it was argued that the web of bilateral agreements on textiles in the western hemisphere is creating a constituency for preventing a rapid phase-out of the Agreement on Textiles and Clothing and indeed tending to set up a hemispheric regime that would shut out other producers). Some expressed concerns that regionalism in Asia (e.g., India and China courting ASEAN) might result in more discriminatory deals than regional pacts in Europe and North America. These potentially worrying developments, it was argued, underscore the importance of multilateral liberalization to minimize the distorting margin of preference that can be offered in such deals.

Some were of the view that what matters for developing countries is not the structure of the preferences but the increased ability to attract investment to drive development—Intel into Costa Rica being a prime example. Prior to the WTO, it was