

THE CONCLUSION OF GATT (GENERAL AGREEMENT ON TARIFF AND TRADE) ROUNDS AND ITS IMPACT ON DEVELOPING COUNTRIES.

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INTRODUCTION

This paper analyzes the conclusion of the world trading negotiations and its influences on the developing world. The effects of trade liberalization on developed countries have also been discussed. At the end some conclusions are given for creating a world trading system, which is not only in favor of the rich nations but it, will also bring prosperity to the poor nations. The creation of World Trade Organization (WTO) in January 1995 and the membership of the countries to WTO is a sign of belief of the people of the globe in free trade and market access with out any barrier and hurdle. The contribution of GATT-Rounds to various regulations and also dispute settlement practices has developed a sense in the policy makers of Developed and Developing Countries regarding free trade and market access to the products and services of poor nations to those of rich nations. Fair trade is also the point to ponder and the removal of the subsidies in agriculture by European Union and OECD countries, which amounts to billions of US-Dollars yearly. This deprives the developing countries of exporting their products to these countries, which creates more and more poverty in these nations and also worsens the political and economic situation over there. The WTO Ministerial Meetings in the past 10 years have also contributed to address the problems of the poor nations of Asia, Africa and Latin America and a framework has been developed to overcome these. There are protests from the opponents of the Free Trade and Trade Liberalization. They plead that it leads to neocolonialism and a way to increase the power of Multinationals, which dominate the trade agenda. These opposing views can be overcome when the developed countries agree on reducing and abolishing the subsidies they give to their farmers and industrialists. The abolition of quotas in textiles is a good sign on the part of the rich nations, which came into practice on January 2005, has created opportunities for the poor countries to reach to these markets with quality products in textiles.

THE WORLD TRADE NEGOTIATIONS

After the Second World War, efforts were started for regulating the world trade and for bringing an end to protectionist measures practiced by various nations. It was aimed to lead the world trade to a free and liberal one slowly and gradually. The creation of GATT-Negotiations in 1947 was but a big step towards trade liberalization. Between 1947 and 1993 Eight-GATT rounds have taken place for regulating trade amongst nations and solving various trade disputes. There have been problems and hurdles creation from time to time by various trading partners but the GATT-Negotiations have overcome these to a greater extent.

THE CONCLUSION OF THE LAST GATT ROUND AND ITS IMPLICATIONS.

The last GATT-Round also called the Uruguay Round of Trade Negotiation, started in 1986 and ended in 1993, was the most comprehensive and complex of eight rounds. It was, from its very start, very unique because of the active participation of developing Countries (David M *et al.*, 1995). This last round of trade talks paid great concentration of the existed shortcomings

in the world Trading System and recommended corrective measures for these.

The Interest of the developing countries was also to be seen as their readiness of more openness of their markets to foreign products and also liberalize their trading system slowly. Since the beginning of the Uruguay-Round, sixty developing countries have lowered their import barriers, thirty-three have since joined the GATT and twenty are now in the process of joining.

The Impact of Uruguay-Round on world welfare is estimated between 212 and 510 billion US Dollars. When some one sees the progress in the trade liberalization, it can be concluded that if all goes in the right direction----- cooperation between developed and developing countries not only in international trade but also in economic and political areas----- the trade liberalization can bring prosperity not only to rich nations but also to the poor.

MARKET ACCESS FOR DEVELOPING COUNTRIES TO INDUSTRIES MARKET:

The principal goal of the Uruguay-Round was to make free the markets of the industrialization countries for the products from developing