The impact of globalization on world trade and investment flows continues to have profound implications for the success of export-led growth strategies in the MENA region. Rising shares of foreign direct investment, trade in services and manufactured exports, have heightened the potential gains from trade negotiations in these areas for all developing regions, yet significant progress on implementing commitments in the multilateral arena has been slow. While the MENA region has succeeded in lowering tariffs on manufactures and begun eliminating nontariff barriers in agriculture and services following the Uruguay Round, significant unexploited gains to further trade liberalization remain.

This paper explores the challenges presented by changing patterns of world trade and capital flows for the MENA region in the context of a Post Seattle Round. It focuses on the potential benefits of accelerating liberalization in traditional areas—manufactures and agriculture, as well as expanding market access in services, intellectual property and electronic commerce. The critical issue for the MENA region at this juncture will be to maintain the momentum created in the multilateral arena as well as to accelerate domestic competition to develop new sources of dynamic comparative advantage. This will require forging an optimal policy mix of cross border liberalization measures with the individual development strategies.

Part 1 of this paper examines the participation of the MENA region in globalization of world trade and investment flows. Recent progress on trade liberalization in the
multilateral arena is assessed in Part 2. In Part 3, the paper presents policy recommendations for enhancing the potential gains of a Post Seattle Round.

I. Globalization and Changing Patterns of World Trade

Globalization is affecting world trade and financial flows in three significant ways, albeit with limited impact on the economies of the MENA region. Three important characteristics of global integration include (i) simultaneous increases in FDI and trade, (ii) rapid growth in global services trade; (ii) rising shares of manufactures in developing country exports.

There has been extraordinary growth in world trade and investment flows over the past decade, with substantial implications for the organization of production and distribution at the international level. World trade has expanded at a rate that more than double world GDP growth since the mid-1980’s (Fig. 1). In 1997 FDI amounted to more than 450 billion dollars and last year increased even further to more than 640 billion dollars (UNCTAD, 1999, Fig. 2). While developing countries as a whole received more than 30 percent of all FDI in the period 1995-97, the majority was concentrated in Asia and Latin America (Table 1).

Second, growth in services trade has outstripped growth in merchandise trade since the 1980s, particularly in the area of information technologies. Growth in world service exports over the period 1990-97 was 7.3%.

Third, shares of manufactured products rose to more than 73 per cent of world trade over the last decade, while primary product shares--agricultural products and raw materials declined significantly. Among developing countries in particular, manufactured exports account for nearly three-quarters of total exports and this share is expected to rise
to 80% by 2005 (Fig. 3). Within the manufactured export category, there has been significant growth in more sophisticated products (science-based goods), which more than doubled from the early 1980s to the mid-1990s relative to shares of traditional labor-intensive industries (garments, furniture, shoes, etc). (Table 2) This shift toward products and industrial sectors characterized by relatively high technological content, tends to embody either directly, or indirectly more sophisticated intermediate goods used in their production (Scherer, 1994).¹

MENA and the Global Economy

The MENA region continues to lag behind other developing economies as a participant in these global trends, although some progress is being made. Integration with the global economy in terms of growth in exports and imports has been slow, relative to the Latin America/Caribbean and Asia regions (Figure 5). While net private capital flows to the MENA region have increased since the early 1990s, totaling roughly US$ 8 billion in 1997 relative to US$ 668 million in 1990, the region’s share of total private capital flows to the developing world remains low. FDI constitutes the bulk of private capital inflow, totaling US$ 5 billion in 1997, and the MENA region attracts roughly 1% of total world FDI. FDI is largely concentrated in North Africa—Morocco, Tunisia and Egypt—primarily in energy-based activities.

¹ In natural resource-intensive, supplier-dominated or traditional sectors, factor endowments have a major influence on the generation of comparative advantage, since technology is easily accessible and firms’ competitiveness is notably sensitive to price factors. In science based, scale-intensive, and specialized supplier products comparative and absolute advantages are dominated by technological change and capability. (OECD, 1992), Pavitt (1988), and Guerrieri (1992; 1997). Trade in the latter types of goods takes place very often along intra-industry lines with countries simultaneously exporting and importing the same kind of products. As many theoretical contributions explain, these trade patterns can be understood once scale economies, product differentiation and technological change are taken into account (Grossman and Helpman, 1991).
MENA exports are primarily labor, energy and component intensive (Table 3). Manufactured exports for the region as a whole are less than 20% of total merchandise exports, with fuels representing 75% of the total, followed by food (4%). The share of total manufacturing output which is exported is roughly 18%. RCA indices for manufactures show the region to be competitive relative to other developing regions in the export of iron & steel, and chemicals (De Rosa 1999). The region exports less than 3% of world manufactured exports, against 5% in Latin America/Caribbean, and nearly 20% for East Asia/Pacific. For the Arab states of the region combined industrial capacity is roughly comparable with Turkey. MENA’s share of world service exports is also low (2.5%) but roughly on par with Latin America/Caribbean compared to 3.4% for Europe/Central Asia and 5.5% for East Asia/Pacific. (Table 4).

The net effect of these developments is that MENA is becoming increasingly marginalized as the globalization of goods and capital markets accelerates. While other developing economies are successfully advancing on a ladder of dynamic comparative advantage, towards human capital and technology-intensive goods, the MENA region risks becoming increasingly specialized in energy exports and in labor intensive, low skilled manufactures (Figure 6).

Although a handful of MENA countries—namely Tunisia, Morocco and Egypt—have made significant progress in moving from specialization based on raw materials and primary commodities, the majority of exports remain concentrated in ‘traditional’ labor intensive sectors such as textiles, which face growing global competition. Other developing countries such as the South-east Asian and Latin American Newly Industrialized Countries (NICs), for example, have made progress in developing areas of comparative advantage which rely more heavily on skilled labor and technological
innovation. Among the Latin American NICs, Mexico, in particular has moved progressively towards greater trade openness, a trend which has been accompanied by progress in medium-high technology-intensive exports and rising levels of intra-industry trade.

Is MENA’s lack of progress in becoming more integrated with the global economy attributable to protectionist trade policies? While MENA economies have made considerable progress in lowering tariffs and eliminating nontariff barriers on traditional trade agenda items and have made some tentative steps towards dealing with new trade agenda items, significant barriers to trade remain.

II. Progress in Trade Liberalization: The Post Seattle Agenda

Similar to many other developing regions, MENA countries continue to maintain high tariffs on manufactured goods and face significant protection in both developed and developing country manufactured export markets (Figure 7). Applied tariffs on manufactures in MENA have fallen considerably less than in other developing regions since the mid 1980s (-11%) from 20.5% to 18.1% relative to a 37.5% decline in applied tariffs for developing countries as a whole. The region has made significant gains in the reduction of average NTB protection from 43% of imports to 3.4% (-92.2% percentage change) over the same period \(^2\) (De Rosa 1999).

The evidence suggests that the MENA economies stand to gain significantly from the further liberalization of manufactured exports, particularly among developing country trade partners. Liberalization in this sector is also critical for MENA economies from the

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\(^2\) Protection statistics are simple averages of tariff and NTB measures for countries and product categories in each country and product category tabulated. Percentage change may be biased by differences in data coverage and nontariff barriers of developing countries between time periods.
vantage point of dynamic gains—diversification of export structures, technology diffusion and productivity enhancement. Manufactures, while not included in the built-in agenda of the Uruguay Round constitute an important sector for negotiation in a Post Seattle Round, in conjunction with liberalization in agriculture and services.

Trade-weighted average MFN tariffs in the industrialized countries applied to imports from developing countries are high relative to those of advanced economies, although the levels of developing country tariffs on manufactured imports tend to be more than two and one half times as high. For the world as a whole, the financial impact of protection on manufactured goods (tariff rate times value of trade flows) is estimated to be roughly $189 billion, with 40% of the total cost or $80 billion levied on manufactured exports from developing countries. Just over 70% of this burden is imposed by developing countries themselves. Preliminary estimates, based on an across-the-board, 40% cut in post UR manufacturing tariffs, suggest welfare gains on the order of $380 billion or nearly 5% of projected merchandise and nonfactor service trade in 2005. The largest increase in welfare is projected to occur in wearing apparel where trade volume rises by more than 20%. For the MENA region in particular, a 40% decline in manufactured tariffs worldwide would imply an increase in export volume of nearly 8%, with substantial increases in trade volume in textiles and wearing apparel. However, China, South Asia, Brazil and other countries with relatively higher tariff levels are projected to experience larger increases in export volumes following such a liberalization scenario, relative to the MENA region (Figure 8).

The impact of a 40% cut in manufactured tariffs on real income levels in MENA is harder to predict. Welfare gains from such a multilateral liberalization are determined by changes in the efficiency with which any given economy utilizes its resources and changes
in a country’s terms of trade. This second effect seems to be more pronounced for NICs such as Taiwan and Turkey, whereas the former is more relevant for Arab economies in MENA. Real income gains are estimated to be on the order of .3% of initial income (Figure 9) arising primarily from the effects of efficiency gains related to market liberalization, increased access to cheaper imported goods, and improvements in the cost effectiveness of domestic production (Hertel and Martin 1999).

**Agriculture**

World trade in agriculture has tended to grow more slowly than trade in manufactures, due in part to high levels of protection in industrial and developing countries. From 1985-94, for example, trade in manufactures grew at 5.8%, whereas trade in agriculture grew at less than 2% for the same period (De Rosa 1999). For agricultural trade, estimates of trade weighted average tariff rates in industrial countries are roughly ten times as high as those applied in manufactures, and there is very little difference between rates applied to developing versus other high income imports. Similarly, in developing countries, average agricultural tariffs are also higher than manufactured import tariffs but the difference is much smaller, with the average agricultural tariff less than twice that prevailing on manufactures. The global financial costs of tariffs on agricultural exports are roughly $87 billion with developing country exports facing just over a third of this total cost.

For the MENA region, exports of primary products in the aggregate represent 3% of world exports, although the importance of agriculture in total trade varies considerably among MENA states. Agricultural products as a share of total merchandise exports
ranged from high--Syria (26%), Morocco (18%), Tunisia (9.5%) to low--Israel (6.1%), Algeria (0.3%) in 1997. In a number of MENA countries such as Egypt, agricultural exports have become some of the country’s most dynamic sectors and are growing faster than total exports. From 1988 to 1996, for example, agricultural exports in Egypt increased 60% relative to total exports which grew roughly 40% for the same period (Yeats and Ng, 1999).

In the MENA region, primary product export sectors in general tend to show elements of competitiveness, as opposed to most categories of manufactured exports. Exports of live animals, meat, dairy products, cereal grains, fresh vegetables, fruits & nuts, sugar & honey all have RCAs greater than one. Higher value-added processed food exports--preserved fruits and vegetables, cereal preparations, fats and oils, coffee, tea, spices, beverages--also demonstrate competitiveness in global trade (De Rosa 1999).

Following the Uruguay Round, MENA economies made some progress in lowering tariffs and nontariff barriers on agricultural products, although relative to manufactured goods, tariffs on agriculture remain high. Applied tariffs on agricultural products in MENA increased by 6.8% from 1984-7 to 1994-8 while tariffs on manufactures declined by 11.6% over the same period. More significant progress was been made in reducing average NTB measures, with a 72% decline in the frequency of NTBs in agricultural products (De Rosa 1999).

There are clearly substantial changes underway in the treatment of agriculture in international and regional trade. As a result of the Uruguay Round Agreements, MENA producers may achieve greater market access for agricultural exports but will also face rising competitive pressures from other developing country exporters. Agricultural trade liberalization needs to be pursued on a number of different fronts, since much of the anti-
agricultural bias which exists in MENA arises from protection for manufacturing and service sectors. Improving market access will require both continued trade liberalization in agriculture and the progressive liberalization of domestic industry. Recent studies indicate that relative incentives for agricultural exportables are approximately three times greater under broad-based rather than sector-specific trade liberalization in lower middle income countries, indicating that most of the policy bias against agriculture continues to be indirect and economy-wide (De Rosa 1999).

Trade in Services

As in agriculture, there is still significant scope for liberalization in the service sector, following limited implementation of the Uruguay Round commitments. Service sector liberalization requires a mix of domestic deregulation and international trade liberalization, since services trade involves both cross border transactions and local establishment.

For most developing countries, including MENA states, the current status of implementation of market access commitments under Article XVI of General Agreement on Trade in Services (GATS) is weak. Numerous restrictions, particularly on entry and foreign equity persist; in some cases, there is more emphasis on allowing increased foreign ownership while protecting foreign incumbents rather than on allowing new entry. There are extremely limited market opening commitments being made on the issue of presence of natural persons (Tables 5,6,7). Pre-commitments to liberalization of entry in MENA are most common in telecommunications. In Morocco, for example, pre-commitments allow for a monopoly in basic telecommunications until 2001, although there are no restrictions on entry thereafter. In Tunisia, commitments were more limited. Restrictions on the
supply of local calls extend until after 2003 (Mattoo, 1999). Tunisia, Morocco, Egypt, Bahrain, and Qatar all made market access commitments under GATS on Insurance (Life and Non Life) and Banking (plus UAE and Kuwait) but with limited progress to date. In Egypt, foreign equity limits were increased from 49% to 51% as of Jan 1 2000 for life and Jan 1 2003 for nonlife insurance.

Priorities for the next round of GATS 2000 for the MENA economies include the removal of quantitative impediments to trade in maritime, tourism and labor services, in which the region likely has a comparative advantage. In addition, negotiations on the movement of natural persons are critical, given the importance of labor mobility within the MENA region, and the need for greater symmetry in the treatment of capital and labor. The possibility of introducing horizontal rules for the temporary entry of foreign workers would clearly enhance labor mobility.

MENA economies have a strong interest in improving access to low price and high quality services in support of domestic production. Given the low quality of network and service infrastructure in the region, particularly in telecommunications, this is one area where full implementation of the existing agreements, and inclusion of more countries in the region will be critical. Liberalization of trade in financial services is also important, yet requires prior improvements in the regulation framework, and internal reform of the domestic banking system. This is one area where further liberalization through a GATS plus approach with the EU may be beneficial (Mohieldin, 1995).

The General Agreement on Trade and Services (GATS) contains specific rules on public procurement in services (Article XIII) which are among the GATS’ “unfinished agenda” and are to be completed by a WTO working group. MENA would clearly benefit from greater involvement in improving transparency in public procurement. Although
government procurement is of considerable importance for many MENA countries, at present, public procurement regulations are generally based on substantial discrimination in favour of national companies, making it difficult for these countries to adhere to the agreement (ERF 1998).

**Electronic Commerce**

Electronic commerce as a means of multilateral trade began to emerge following the Uruguay Round. The Declaration on Global Electronic Commerce adopted at the May 1998 WTO Ministerial Conference established a work programme to analyze trade-related issues relating to e-commerce, and to make recommendations for action at Seattle. A moratorium was fixed on customs duties permitting free trade on e-commerce up to 2000 (Gamberale, 1999).

The growth of electronic commerce is expected to affect all aspects of trade and commerce, not just the Information Technology (IT) industry. Developing countries will likely have comparative advantage in providing eServices such as back-offices, call centers, and data processing due to lower labor costs. At the firm level, SMEs are expected to benefit from the development of electronic commerce allowing expanded access to information regarding markets, and supply chains. By enabling new suppliers to enter markets and integrate with global supply chains, eCommerce would likely facilitate technology transfer and have favorable effects on domestic competition and productivity.

For the MENA region, electronic commerce can potentially lessen the impact of physical constraints to trade, such as onerous customs structures, significantly reducing delivery costs for both producers and consumers. In addition it will likely boost private
sector investment in telecommunications, IT industry, Internet service provision, and professional services at large, as well as improve the efficiency of production among large and small firms.

Exploiting the opportunities offered by eCommerce, however, will require rethinking the communications strategies in MENA. If MENA economies wait to complete a country-wide modernization of communications infrastructure to take advantage of growing opportunities in electronic commerce, the gap with other developing countries is likely to grow. Developing countries such as India, for example, have strategically targeted eCommerce investments in geographic areas—such as urban commercial centers with a concentration of export-intensive industry—and in sectors where electronic commerce business generates the greatest aggregate benefits—such as business-to-business, consumer-to-business and business-to-government transactions (Southcentre 1999).

In addition to accelerating and targeting investment in telecommunications infrastructure, MENA economies should ensure liberalization of electronic commerce via negotiation of fully liberal commitments under GATS to market access (which would preclude quantitative restrictions) and national treatment (which would preclude all forms of discriminatory taxation). For developing countries as a whole, and for the MENA region, there is considerable potential benefit to widening and deepening commitments in eCommerce.

**Intellectual Property**

The TRIPS agreement (Trade Related Aspects of Intellectual property rights) was one of the primary—and most controversial—achievements of the Uruguay Round. It represents one of the core “new trade agenda” issues—along with GATS and Trade-Related Investment Measures (TRIMs)—signaling a new direction in multilateral trade
negotiations. The agreement was designed to harmonize intellectual property rules (IPR) and establish minimum standards for national laws. Signatories pledged to apply the principles of most favored nation (MFN) and national treatment to intellectual property protection, which includes copyrights, trademarks, geographic location, industrial protection and others. Countries have some flexibility in designing national IPR regimes since the TRIPS Agreement effectively institutes higher standards for protection on a global rather than national scale.

Implementation of the TRIPS Agreement became effective in 1996, although developing countries are entitled to a four-year transition period with respect to issuing national and MFN treatment. Developing countries are also entitled to an additional five-year transitional period for product patents in fields of technology that were not protected at the date of application of the Agreement. As of early 1998 the MENA countries that had signed agreements related to intellectual property protection include Egypt (all); Algeria, Bahrain, Jordan, (Paris Convention only); Morocco, Tunisia, Turkey (Paris and Berne Conventions). Oman and Saudi Arabia have not signed any of the IPR agreements.

For MENA, IPRs are potentially significant. Recent studies suggest a positive correlation between IPR protection and trade flows (for nonfuel trade). Other research points to the importance of IPRs in encouraging FDI, particularly in pharmaceutical and chemical firms, as well as in the diffusion of knowledge through international licensing agreements and technical assistance. IPRs are highly relevant to decisions to invest in R&D activities and to conduct direct technology transfers through licensing agreements on the part of multinational firms (Maskus, 1999).

Many developing countries, including those in MENA have not adjusted to the provisions of the 1994 TRIPS Agreement on schedule. There is a growing need to
promote compliance with the TRIPS Agreement in a way which enhances the overall participation of the region in international trade. Given that developing countries will need to formulate their own national policies to comply with the TRIPS agreement, the successful use of this Agreement may depend on an effective national competition policy to regulate the anti-competitive exercise of IPRs (Lahouel and Maskus, 1999). Future negotiations will therefore be critical for ensuring full implementation of the 1994 TRIPs and for developing new guidelines to tackle issues such as patents, plants and biotechnologies.

III. Domestic Policies and a Post Seattle Agenda

While the potential gains from trade liberalization are substantial, they tend to accrue when countries take domestic action that allows firms to profit from these opportunities. Given any of the liberalization scenarios described above, MENA economies will face greater international competition in traditional export sectors, heighting the importance of developing new areas of comparative advantage. However, in MENA, building dynamic comparative advantage has less to do with natural resource endowments and per capita income levels than with domestic policy regimes. As domestic and international prices become increasingly realigned, through liberalization of international product and factor markets, pro-active, strategic domestic policy reform will be needed to improve the competitiveness of the business environment for firms and workers.

The need for domestic competition policy

Governments in the MENA region, like other developing economies, have traditionally used import substitution strategies to encourage favored domestic enterprises and discourage competition from abroad. Industrial policies targeting scale economies
effectively favored industrialization through state owned or private monopolies. Subsidies and procurement practices contributed further to the creation of an uneven playing ground for domestic and foreign firms (Lahouel and Maskus, 1999). Trade barriers have prevented access to technologically-sophisticated capital goods and knowledge spillovers, limited incentives for protected SOEs to adapt new technologies or innovate, and created small and segmented markets.

The net effect has been an anti-competition policy by default rather than design. In Tunisia, for example, where trade liberalization has been encouraged by the ongoing implementation of the Euro-Mediterranean Agreements, many industrial and trade policies remain anti-competitive. Imports of products such as cereals, coffee, sugar and fertilizers remain monopolized by state trading companies. Government imposed “industrial cooperation” agreements for car imports, stipulate tie-in clauses according to which carmakers are obliged to purchase automobile parts from Tunisia firms. The state-owned “Tunisie Telecom” holds a monopoly of fixed and cellular telephone services, and licenses for internet services have been restricted to two providers. In public procurement, domestic firms are granted a preferential margin of 20%, an important advantage over foreign bidders, although a recent law has stipulated that this margin will be phased out by 2003 (Lahouel and Maskus, 1999).

Tunisia is in fact, one of the few MENA countries with competition legislation but it has weak institutional support for implementation. Since its inception in 1991, the Competition Council has issued three decisions, two of which were rejections of complaints about competition abuse. The competition law also has extensive exceptions. Dominant market positions which promote economic or technical progress are not considered anti-competitive (Lahouel and Maskus, 1999).
Improving domestic competition in the MENA region will require continued liberalization of state monopolies, commercial policies, restrictions on FDI and rights of establishment, as well as providing safeguards against higher private entry barriers being substituted for lower public entry barriers. The role of the WTO as a possible forum for global agreement on competition is limited by the organization’s proclivity to address competition from the vantage point of free trade, export promotion and market access rather than that of antitrust and welfare-enhancing practices. One possible solution is to establish minimum competition standards on an international level, with enforcement on a national level (Low, Subramanian, 1996). A key role would, thus, be played by domestic regulatory authorities in strengthening antitrust practices and, where this is lacking, technical and financial assistance could be provided. Given that the goals of competition policy are to prevent monopolization of markets and predatory pricing, MENA economies should unilaterally seek to ensure that competition policies are implemented.

Two key aspects of market access agreements - safeguard and antidumping agreements are also crucial to domestic competition policies. Safeguarding still sanctions quantitative restrictions for individual exporters, although limited in time and only after presenting proof of injury. This risks becoming a protection tool, even though recourse to antidumping measures is easier. Antidumping measures remain a thorn in the side of international trade. Despite more restrictive provisions, antidumping is the greatest shortcut for importer countries wishing to protect their industries. More stringent investigation procedures entail a heavy cost in human resources, making them far more difficult for developing countries to utilize than for developed countries (Finger, 1996).
Trade Facilitation

For the MENA region, there is also a need to simplify, harmonize and automate trade procedures to reduce documentation and increase transparency in trade. These actions would benefit small and medium enterprises as well as larger firms. There is strong pressure from private business for trade facilitation measures to be brought into the WTO sphere and the next Round of negotiation (Croome, 1998).

A number of proposals for trade facilitation offer the following benefits: i) the principle of proportionality to eliminate superfluous procedures; ii) immediate checks rather than subsequent checks as is currently the case; iii) measures that favour the transparency of checks to avoid arbitrariness and abuses; iv) the gradual introduction of computerised systems based on cooperation between exporters and importers.

One practical tool for facilitating trade which remains important is the use of free trade zones, particularly in Egypt, Jordan, and Tunisia. In addition to promoting non-traditional exports, creating jobs and income, these zones can potentially function as “one stop” shops for permits, investment applications and import/export procedures. Experience from other developing regions suggests that export processing zones are an important policy instrument to offset anti-export bias, similar to other export promotion tools such as bonded warehouses and export credit insurance. However, the functioning and success of these zones are sensitive to the national economic environment and they tend to perform better when the host country pursues sound macroeconomic and realistic exchange rate policies.
Foreign Direct Investment (FDI): A Multilateral Investment Agreement?

While there is growing consensus regarding the potential benefits associated with a new multilateral agreement on investments, opinions differ on the feasibility of such an agreement (Drabek, 1998). The general goals of an international investment regime include the removal of significant obstacles to FDI; the minimization of distortions that reduce the benefits of these investments, and the creation of standards for national policies which affect FDI.

A key issue for the MENA region, however is national security and sovereignty. Fears of losing control of the right to impose taxes and promote strategic economic activities are big impediments to a multilateral investment agreement. Given the difficulty in obtaining a consensus on all these issues, it may be preferable to lock-in policies already launched on a multilateral level, such as those on services (GATS, given that opening the trade in services means opening FDI) and the TRIMS, as the first step towards an agreement on competition.

Labor standards

Linkages between labor standards and international trade or “the social dimension of international trade” have taken on greater importance in international debate since Seattle. On the one hand there are protectionist motivations behind requests by advanced economies to link trade and labor standards, given competition in low-cost products by some developing countries, particularly in ‘mature’ sectors where the cost of labor is a decisive factor. At the same time, there is a growing awareness of trade union rights and the problems of forced and child labor on the part of labor organisations in the developed countries. In both quantitative and qualitative terms, it is generally accepted that respect
for minimum standards is fundamental, yet there remains much opposition to linking those minimum standards to the binding mechanisms of the WTO.

The inclusion of labor standards in the WTO Agenda is urged by a number of developed countries (Croome, 1998). In December 1996, the US and France, with Norwegian support, proposed including a commitment to core labor standards in the Singapore ministerial declaration, but the proposal met with strong opposition from a number developing countries, including Egypt. The resulting declaration rejected the use of labor standards for protectionist ends.

MENA countries have been deeply involved in the issue of labor standards, a stand largely attributable to their comparative advantage in labor intensive exports. Declarations of MENA countries during the 85th session of the International Labour Conference in 1997, were largely consistent with those expressed by other developing countries, that labor standards should not be linked in any way to the liberalisation of international trade and are strictly a matter of domestic competence, in which each country exercises its national sovereignty. Only Tunisia, Algeria and Turkey were willing to adopt higher labor standards and a sanctioning system to ensure their application. It may be in the interests of MENA countries not close themselves completely to the issue of labor standards in a Post Seattle Round, and to seek a multilateral solution before unilateral approaches begin to be adopted.

**Strengthening WTO Governance**

There is a need to strengthen the WTO process as well as to implement mechanisms to reinforce participation of all members in the decision-making process. Expansion of WTO membership in the MENA region is a priority. To date, only Bahrain, Egypt, Israel,
Jordan, Kuwait, Morocco, Qatar, Tunisia and the UAE are members of the WTO. Algeria, Lebanon, Oman and Saudi Arabia are at different stages of the accession process. Iran, Iraq and Libya are not bound to the multilateral trading system for political reasons.

However, the costs of participation in the WTO process should not be underestimated. A recent study suggests that over 50% of developing country members of the WTO have serious difficulties taking part in meetings or presenting negotiating positions, and many are chafing under unanticipated costs of implementing agreements made during the Uruguay Round. In the process of preparing for the Seattle Round, it became clear that many developing countries were beginning to perceive the costs of implementing the Uruguay Round Agreements in various areas—TRIPS, customs valuation were much greater than realized when the agreement was signed (Finger and Schuler, 1999).

This suggests that enhancing technical support mechanisms during accession and participation phases, cooperation with international development assistance agencies such as the World Bank and support for cross-border business and professional groupings both among developed and developing countries is critical. The last is particularly significant in light of the increasing role of civil society and non-state actors in multilateral trade negotiations. Globalization of economic activity and its impact on society means that decisions made in multilateral negotiations have profound impacts at the grassroots level.

**Conclusion**

The growing body of evidence of a robust relationship between trade performance, international specialization and long-run growth also suggests that individual country-
specific policies, endowments and institutions are a critical determinant of success in export-led growth (Dowrick, 1997). Trade liberalization can stimulate growth at the world level, but benefits at the country level are variable and depend on a set of heterogeneous factors, including policies and institutions. In addition, patterns of specialization matter; countries can experience vicious or virtuous circles, becoming locked into a pattern of specialization in low(high)-skill, low(high)-growth activities characterized by tight (loose) external constraints.

For the MENA region, faster integration with the global economy requires attention on both the international and domestic policy fronts. Globalization invariably leads to structural shifts in production, investment and employment. While the potential benefits of accelerated tariff reductions for example, are significant, realizing the gains from such liberalization in the multinational arena and distributing the benefits widely requires improving the flexibility of the domestic economy, through greater competition. Enhancing the competitiveness of domestic production will also require supervision and monitoring of policy effects, since economic reforms, such as trade liberalization, tend to bring about changes in the efficacy of other policy instruments relative to the pre-reform period.

The optimal policy mix for enhancing MENA’s potential gains of further trade liberalization in a Post Seattle Round includes accelerated liberalization in manufactures, agriculture and services as well as more rapid movement into newly emerging sectors such as electronic commerce in which the MENA region likely has significant advantages. Domestic competition policies and the complementary liberalization of product and factor markets are vital for maximizing the opportunities presented by a Post Seattle Round as well as identifying new sources of dynamic comparative advantage. Finally, human capital, technological and physical capital upgrading and institutional strengthening are key
for the region’s growth prospects as well its ability to manage the challenges of more rapid global integration.
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Table 1: FDI by host region and economy, 1986-1995
(millions of dollars and percentage)

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<td>West Asia, South Est</td>
<td>0.9</td>
<td>3.5</td>
<td>1.4</td>
<td>2.5</td>
<td>1.5</td>
<td>1.6</td>
<td>0.7</td>
<td>0.7</td>
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<td>0.3</td>
<td>1.8</td>
<td>1.2</td>
<td>1.8</td>
<td>1.2</td>
</tr>
<tr>
<td>The Pacific</td>
<td>19.6</td>
<td>100.0</td>
<td>26.2</td>
<td>100.0</td>
<td>56.3</td>
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<td>95.5</td>
<td>100.0</td>
<td>105.5</td>
<td>100.0</td>
<td>129.8</td>
<td>100.0</td>
<td>148.9</td>
<td>100.0</td>
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<td>Ldcs</td>
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<td>1.1</td>
<td>1.0</td>
<td>1.9</td>
<td>1.5</td>
<td>1.8</td>
<td>1.2</td>
</tr>
</tbody>
</table>


Table 2: Weights of the Sectoral Groups in the World Exports
(average value in each subperiod, in percentage)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>Food Items</td>
<td>9,8</td>
<td>10,5</td>
<td>8,0</td>
<td>6,6</td>
<td>6,2</td>
<td>5,2</td>
<td>4,6</td>
<td>4,6</td>
<td>-5,30</td>
</tr>
<tr>
<td>Fuels</td>
<td>6,5</td>
<td>7,8</td>
<td>14,8</td>
<td>13,1</td>
<td>5,8</td>
<td>6,8</td>
<td>6,0</td>
<td>4,7</td>
<td>-1,73</td>
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<tr>
<td>Other Raw Materials</td>
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<td>2,0</td>
<td>1,8</td>
<td>1,5</td>
<td>1,1</td>
<td>1,0</td>
<td>0,8</td>
<td>0,9</td>
<td>-2,01</td>
</tr>
<tr>
<td>Food Industries</td>
<td>7,2</td>
<td>7,6</td>
<td>6,2</td>
<td>5,4</td>
<td>5,8</td>
<td>5,7</td>
<td>5,6</td>
<td>5,5</td>
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<td>9,2</td>
<td>9,4</td>
<td>7,8</td>
<td>7,2</td>
<td>6,4</td>
<td>6,6</td>
<td>-3,48</td>
</tr>
<tr>
<td>Agricultural P. and Raw Materials</td>
<td>36,5</td>
<td>36,5</td>
<td>40,0</td>
<td>36,0</td>
<td>26,6</td>
<td>25,8</td>
<td>23,4</td>
<td>22,2</td>
<td>-14,22</td>
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<tr>
<td>Traditional</td>
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<td>16,0</td>
<td>14,5</td>
<td>14,0</td>
<td>16,5</td>
<td>16,9</td>
<td>17,4</td>
<td>16,8</td>
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<tr>
<td>Scale Intensive</td>
<td>24,7</td>
<td>24,9</td>
<td>23,0</td>
<td>24,6</td>
<td>26,2</td>
<td>25,2</td>
<td>25,0</td>
<td>25,0</td>
<td>0,35</td>
</tr>
<tr>
<td>Specialized suppliers</td>
<td>10,9</td>
<td>10,2</td>
<td>9,2</td>
<td>8,6</td>
<td>10,0</td>
<td>10,4</td>
<td>10,1</td>
<td>10,5</td>
<td>-0,43</td>
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<tr>
<td>Science based</td>
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<td>9,4</td>
<td>10,9</td>
<td>14,4</td>
<td>17,5</td>
<td>18,9</td>
<td>19,9</td>
<td>21,5</td>
<td>12,07</td>
</tr>
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<td>Manufactures</td>
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<td>60,5</td>
<td>57,6</td>
<td>61,6</td>
<td>70,1</td>
<td>71,4</td>
<td>72,4</td>
<td>73,8</td>
<td>13,88</td>
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<td>Others</td>
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<td>3,0</td>
<td>2,4</td>
<td>2,4</td>
<td>3,2</td>
<td>2,8</td>
<td>4,1</td>
<td>3,7</td>
<td>0,09</td>
</tr>
</tbody>
</table>

Source: Elaboration from OECD and UN trade data, SIE-World Trade Data Base (see Taxonomy)
Table 3: Share in world exports of selected groups of countries

<table>
<thead>
<tr>
<th></th>
<th>EAST ASIAN NICs*</th>
<th></th>
<th>LATIN AMERICAN NICs*</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Agricultural prod. Fuels</td>
<td>3,22</td>
<td>3,71</td>
<td>4,66</td>
<td>4,56</td>
</tr>
<tr>
<td>Other raw materials</td>
<td>0,71</td>
<td>1,03</td>
<td>0,96</td>
<td>1,08</td>
</tr>
<tr>
<td>Food industries</td>
<td>1,03</td>
<td>1,10</td>
<td>1,40</td>
<td>1,30</td>
</tr>
<tr>
<td>Traditional ind.</td>
<td>2,08</td>
<td>2,59</td>
<td>4,07</td>
<td>4,41</td>
</tr>
<tr>
<td>Resource intensive ind.</td>
<td>6,53</td>
<td>11,56</td>
<td>18,53</td>
<td>18,01</td>
</tr>
<tr>
<td>Scale intensive ind.</td>
<td>1,85</td>
<td>3,30</td>
<td>5,66</td>
<td>7,13</td>
</tr>
<tr>
<td>Specialized suppliers ind.</td>
<td>1,05</td>
<td>3,16</td>
<td>6,67</td>
<td>7,45</td>
</tr>
<tr>
<td>Science based ind.</td>
<td>0,87</td>
<td>1,92</td>
<td>5,66</td>
<td>6,83</td>
</tr>
<tr>
<td>Total Trade</td>
<td>2,36</td>
<td>4,21</td>
<td>8,63</td>
<td>9,57</td>
</tr>
</tbody>
</table>

*Mediterranean NICs*  
MEDITERRANEAN NICs*  
ARAB NICs*  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural prod. Fuels</td>
<td>4,62</td>
<td>2,49</td>
<td>2,83</td>
<td>2,76</td>
<td>2,42</td>
<td>1,45</td>
<td>0,51</td>
<td>0,27</td>
<td>0,21</td>
<td>na</td>
</tr>
<tr>
<td>Other raw materials</td>
<td>0,45</td>
<td>0,62</td>
<td>0,65</td>
<td>0,75</td>
<td>0,48</td>
<td>0,19</td>
<td>0,52</td>
<td>0,21</td>
<td>0,59</td>
<td>na</td>
</tr>
<tr>
<td>Food industries</td>
<td>3,19</td>
<td>4,12</td>
<td>3,90</td>
<td>2,90</td>
<td>2,77</td>
<td>0,12</td>
<td>0,47</td>
<td>0,98</td>
<td>0,94</td>
<td>na</td>
</tr>
<tr>
<td>Traditional ind.</td>
<td>1,25</td>
<td>1,20</td>
<td>1,52</td>
<td>1,77</td>
<td>1,84</td>
<td>0,16</td>
<td>0,11</td>
<td>0,06</td>
<td>0,09</td>
<td>na</td>
</tr>
<tr>
<td>Resource intensive ind.</td>
<td>0,81</td>
<td>1,20</td>
<td>2,02</td>
<td>2,16</td>
<td>2,20</td>
<td>0,42</td>
<td>0,15</td>
<td>0,17</td>
<td>0,13</td>
<td>na</td>
</tr>
<tr>
<td>Scale intensive ind.</td>
<td>0,29</td>
<td>0,26</td>
<td>0,66</td>
<td>0,60</td>
<td>0,64</td>
<td>0,04</td>
<td>0,03</td>
<td>0,06</td>
<td>0,07</td>
<td>na</td>
</tr>
<tr>
<td>Specialized suppliers ind.</td>
<td>0,02</td>
<td>0,07</td>
<td>0,15</td>
<td>0,25</td>
<td>0,28</td>
<td>0,02</td>
<td>0,01</td>
<td>0,01</td>
<td>0,01</td>
<td>na</td>
</tr>
<tr>
<td>Science based ind.</td>
<td>0,04</td>
<td>0,08</td>
<td>0,12</td>
<td>0,13</td>
<td>0,13</td>
<td>0,01</td>
<td>0,01</td>
<td>0,02</td>
<td>0,01</td>
<td>na</td>
</tr>
<tr>
<td>Total Trade</td>
<td>0,93</td>
<td>0,77</td>
<td>0,97</td>
<td>0,97</td>
<td>0,92</td>
<td>0,27</td>
<td>0,19</td>
<td>0,11</td>
<td>0,11</td>
<td>na</td>
</tr>
</tbody>
</table>

*Tunisia, Marocco, Turkey
*Egypt, Jordan

Source: *Elaboration from OECD and UN trade data, SIE-World Trade Data Base*  
*(see Taxonomy in Appendix)*
Table 4: Share of goods and commercial services in the total trade of selected regions, 1996
(US$ billion and percentage, balance of payments basis)

<table>
<thead>
<tr>
<th></th>
<th>EXports</th>
<th></th>
<th>IMPORTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total value</td>
<td>% Goods</td>
<td>% Commercial Services</td>
<td>Total value</td>
</tr>
<tr>
<td>Turkey</td>
<td>45</td>
<td>71.6</td>
<td>28.4</td>
<td>49</td>
</tr>
<tr>
<td>Africa</td>
<td>152</td>
<td>82.3</td>
<td>17.7</td>
<td>155</td>
</tr>
<tr>
<td>Egypt</td>
<td>14</td>
<td>34.5</td>
<td>65.5</td>
<td>18</td>
</tr>
<tr>
<td>Morocco</td>
<td>9</td>
<td>76.9</td>
<td>23.1</td>
<td>10</td>
</tr>
<tr>
<td>Tunisia</td>
<td>8</td>
<td>68.6</td>
<td>31.4</td>
<td>8</td>
</tr>
</tbody>
</table>

INDUSTRIAL AND TECHNOLOGICAL TAXONOMY

The broad product groups classification used in this paper is based on the 450 product groups of the SIE-World Trade. A summary list of the product groups included in each class of products is below provided:

1) **Food items and Agricultural raw materials** (41 product groups): Food - Live animals - Animal oil and fats - Natural rubber - Vegetable and animal textile fibres - Cork and Wood - Skins

2) **Fuels** (4 product groups): Coal - Petroleum oil - Gas

3) **Other raw materials** (17 product groups): Iron ore - Ores of base metals - Other crude minerals

4) **Food industry** (36 product groups): Meat and meat preparations - Dairy products - Vegetables and fruit preparations - Cereal preparations - Sugar preparations - Other edible products


6) **Scale Intensive** (88 product groups): Organic chemicals - Inorganic chemical products - Other chemical materials and products - Medicinal and pharmaceutical products - Rubber manufactures - Iron and steel - Television, radio, other image-sound recorder and reproducers - Household type electrical equipment - Ships and boats - Railway vehicles & equipment - Road vehicles

7) **Specialized Suppliers** (43 product groups): Agricultural machinery - Machine tools for working metals - Metal working machinery - Other machine tools for specialized particular industries - Construction and mining machinery - Textile and leather machinery - Paper and paperboard machinery - Other machinery for specialized particular industries - Other general industrial machinery & equipment - Electrical equipment and components - Measuring, checking, analyzing instruments - Optical goods - Other miscellaneous products

8.) **Resource Intensive** (18): Paper and paperboard - Petroleum products - Non metallic mineral manufactures - Non-ferrous metal products

9) **Traditionals or Supplier dominated** (76 product groups): Textile products - Articles of apparel and clothing accessories - Leather manufactures - Footwear - Wood manufactures - Furniture - Paper and printed products - Article of ceramic materials - Glass products - Miscellaneous manufactures of metal (structures, tools, cutlery and other articles) - Jewellery, goldsmiths - Imitation jewellery - Musical instruments - Sporting goods - Toys & games - Other miscellaneous products

10) **Residuals**: Other product groups n.e.s.
Table 5: Commitment of selected MENA countries in the GATS (percentage)

<table>
<thead>
<tr>
<th></th>
<th>HIC</th>
<th>All other countries</th>
<th>Large developing countries</th>
<th>Algeria</th>
<th>Bahrain</th>
<th>Egypt</th>
<th>Kuwait</th>
<th>Morocco</th>
<th>Tunisia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Access (MA):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average <code>count</code> (sectors-modes listed as a share of GNS total)</td>
<td>53.3</td>
<td>15.1</td>
<td>29.6</td>
<td>0.65</td>
<td>2.58</td>
<td>16.77</td>
<td>28.39</td>
<td>23.23</td>
<td>8.39</td>
</tr>
<tr>
<td>Average coverage (sectors-modes listed as a share of GNS total, weighted by openness and binding scale factors)</td>
<td>40.6</td>
<td>9.4</td>
<td>17.1</td>
<td>0.48</td>
<td>1.94</td>
<td>10.48</td>
<td>10.65</td>
<td>11.21</td>
<td>3.71</td>
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<tr>
<td>Coverage/<code>count</code> (average coverage as a share of the average count)</td>
<td>76.2</td>
<td>62.3</td>
<td>57.7</td>
<td>73.9</td>
<td>75.2</td>
<td>62.5</td>
<td>37.5</td>
<td>48.3</td>
<td>44.2</td>
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<tr>
<td><code>No restrictions</code> as a share of total offer made (no scaling)</td>
<td>56.4</td>
<td>47.3</td>
<td>36.7</td>
<td>75.0</td>
<td>75.0</td>
<td>47.1</td>
<td>25.0</td>
<td>28.5</td>
<td>23.1</td>
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<tr>
<td><code>No restrictions</code> as a share of GNS total</td>
<td>30.5</td>
<td>6.7</td>
<td>10.9</td>
<td>0.48</td>
<td>1.9</td>
<td>7.9</td>
<td>7.1</td>
<td>6.6</td>
<td>1.9</td>
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<tr>
<td><strong>National Treatment (NT):</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average <code>count</code> (sectors-modes listed as a share of GNS total)</td>
<td>53.3</td>
<td>15.1</td>
<td>29.6</td>
<td>0.65</td>
<td>2.58</td>
<td>16.77</td>
<td>28.39</td>
<td>23.23</td>
<td>8.39</td>
</tr>
<tr>
<td>Average coverage (sectors-modes listed as a share of GNS total, weighted by openness and binding scale factors)</td>
<td>42.4</td>
<td>10.2</td>
<td>18.8</td>
<td>0.48</td>
<td>1.94</td>
<td>11.69</td>
<td>11.61</td>
<td>15.65</td>
<td>3.55</td>
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<tr>
<td>Coverage/<code>count</code> (average coverage as a share of average count)</td>
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<td>67.5</td>
<td>63.5</td>
<td>73.9</td>
<td>75.2</td>
<td>69.7</td>
<td>40.9</td>
<td>67.4</td>
<td>42.3</td>
</tr>
<tr>
<td><code>No restrictions</code> as a share of total offer made (no scaling)</td>
<td>65.1</td>
<td>60.4</td>
<td>49.3</td>
<td>75.0</td>
<td>75.0</td>
<td>61.5</td>
<td>28.4</td>
<td>64.6</td>
<td>40.4</td>
</tr>
<tr>
<td><code>No restrictions</code> as a share of GNS total</td>
<td>35.3</td>
<td>8.5</td>
<td>14.6</td>
<td>0.48</td>
<td>1.9</td>
<td>10.3</td>
<td>8.1</td>
<td>15.0</td>
<td>3.4</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>No restrictions on MA and NT as a share of GNS total</td>
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<td>6.4</td>
<td>10.0</td>
<td>0.48</td>
<td>1.9</td>
<td>7.9</td>
<td>7.1</td>
<td>6.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Table 6: Summary of Specific Commitments on Telecommunications Services in MENA countries

<table>
<thead>
<tr>
<th></th>
<th>a.</th>
<th>b.</th>
<th>c.</th>
<th>d.</th>
<th>e.</th>
<th>f.</th>
<th>g.</th>
<th>h.</th>
<th>i.</th>
<th>j.</th>
<th>k.</th>
<th>l.</th>
<th>m.</th>
<th>n.</th>
<th>01.</th>
<th>02.</th>
<th>03.</th>
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<tbody>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Morocco</td>
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<td>X</td>
<td>X</td>
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<td>X</td>
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<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tr>
<tr>
<td>Turkey</td>
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<td>X</td>
<td>X</td>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Source: WTO, 1999

Key:
- a. Voice Telephone Services
- b. Packet-Switched Data Transmission Services
- c. Circuit-Switched Data Transmission Services
- d. Telex Services
- e. Telegraph Services
- f. Facsimile Services
- g. Private Leased Circuit Services
- h. Electronic Mail
- i. Voice Mail
- j. On-line Information and Data Base Retrieval
- k. Electronic Data Interchange (EDI)
- l. Enhanced/Value-Added Facsimile Services
- m. Code and Protocol Conversion
- n. On-line Information and/or data processing
- 01. Terrestrial-based mobile
- 02. Satellite-based mobile
- 03. Other

Table 7: Summary of Specific Commitments on Financial Services in MENA countries

<table>
<thead>
<tr>
<th>Countries</th>
<th>Insurance</th>
<th>Banking</th>
<th>Securities</th>
<th>Other</th>
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<td>Tunisia</td>
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<td>Turkey</td>
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Source: WTO, 1999
Figure 1: World Trade and GDP Growth

Source: GEP, 1997 & 1998

Figure 2: Foreign Direct Investment, net (US$ Millions)

Source: SIMA Database, WDI & GDF Central.
Figure 3: Share of Merchandise Exports from Developing Countries


Figure 4: Speed of Integration By Region

Source: World Bank Staff Estimates
Figure 5: Percentage Distribution of Manufactured Exports, 1985 & 1995


Figure 6: Share of Manufactures in GDP

Figure 7: Tariff Rates by Region

<table>
<thead>
<tr>
<th>Importing Region</th>
<th>Exporting Region</th>
<th>High Income</th>
<th>East Asia</th>
<th>South Asia</th>
<th>LAC</th>
<th>MENA</th>
<th>SSA</th>
<th>Rest of Africa</th>
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Note: The tariff rates do not reflect the GSP rates.
Source: GTAP

Figure 8: Change in Regional Exports Following 40% Tariff Manufactures Tariff Cut

Figure 9: Efficiency and Welfare Gains Owning to Manufactures Tariff Liberalization

Acronyms

AD: Antidumping
ADB: Asian Development Bank
APEC: Asia-Pacific Economic Cooperation
ASAs: Air Service Agreements
BIT: Bilateral Investment Treaty
CEECs: Central Eastern European Countries
CRS: Computer Reservation System
EEC: European Economic Comunity
EMA: Euro-Mediterranean Agreement
ERF: Economic Research Forum
ESN: European Services Network
EU: European Union
FDI: Foreign Direct Investment
FTA: Free Trade Area
GATS: General Agreement on Trade and Services
GATT: General Agreement on Tariff and Trade
GDP: Gross Domestic Product
GP: Government Procurement
ICPO: International Competition Policy Office
ILO: International Labour Organization
IT: Information Technology
ITA: Information Technology Agreement
ITO: International Trade Organization
ITU: International Telecommunication Union
MAI: Multilateral Agreement on Investments
MEA: Multilateral Environmental Agreement
MENA: Middle East and North Africa
MERCOSUR: Mercado del Cono Sur
MFN: Most Favourite Nation
NAFTA: North American Free Trade Agreement
NGO: Non-Governmental Organization
OCSE: Organizzazione per la Cooperazione e lo Sviluppo Economico
RIAs: Regional Investment Agreement
SCMs: Subsidies and Compensative Measures
SPS: Sanitary and Photosanitary
TBT: Technical Barriers on Trade
Tlc: Telecommunications
TNC: Transnational Corporation
TRAPS: Trade Related Antitrust Policies
TRIMs: Trade-Related Investment Measures
TRIPS: Trade-Related Intellectual Property rights
UNCTAD: United Nations Conference on Trade and Development
UR: Uruguay Round
USA: United States of America
Wg: Working Group
WTO: World Trade Organisation
What role should international trade rules and the World Trade Organization (WTO) play in the protection of the environment?