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**THE URUGUAY ROUND MARKET ACCESS RESULTS CAN BOOST
WORLD INCOME BY AN EXTRA US\$510 BILLION ANNUALLY
SAYS GATT REPORT**

**"Moreover, this figure substantially underestimates the impact of the entire
Uruguay Round package of results."**

The reduction of international trade barriers as one of the results of the Uruguay Round agreements will produce an estimated increase in world income of US\$510 billion per year by the time the market access commitments are fully implemented in 2005, according to the new analysis* released today (Thursday 10 November) by the GATT Secretariat.

The report emphasizes, however, that this figure substantially underestimates the impact of the entire Uruguay Round package of results because the estimate is based on only one result of the Round, namely liberalization of trade in goods, without taking into account the beneficial impact of other results concerning, for example, strengthened trade rules, procedures and institutions, nor the market access commitments and rules for trade in services.

Based on a new world economic model developed by the GATT Secretariat, the report provides a more realistic and "dynamic" representation of the effects of the Uruguay Round results. The report begins with a summary; its highlights include:

- estimated annual income gains of \$122 billion for the United States, \$164 billion for the European Communities, \$27 billion for Japan and \$116 billion for developing and transition economies as a group.

- developed countries have agreed to reduce their tariffs on industrial goods by 40 per cent, with the proportion of industrial products entering the developed country market under MFN zero duties more than doubling from 20 to 44 per cent.
- reforms in agriculture include a 36 per cent reduction in export subsidies, from \$22.5 billion to \$14.5 billion, of which one-half is accounted for by the EC, and a decline of 18 per cent, from \$197 billion to \$162 billion, in domestic support to agricultural producers.
- for the first time in GATT's history, the level of security for trade in agricultural products will be greater than for trade in industrial products because virtually 100 per cent of agricultural product tariff lines will be bound, compared to 83 per cent of industrial product tariff lines, and because there will be no non-tariff barriers.

The report also provides a brief summary of those parts of the Uruguay Round package that strengthen and extend the rules, procedures and institutions governing, for example, trade measures such as subsidies, technical barriers or discriminatory internal taxes. "By providing a framework for the monitoring of trade policies, for regularly scheduled ministerial-level meetings and for future negotiations, the strengthened institutional arrangements also help countries anticipate and defuse trade conflicts that might otherwise lead to violations of WTO obligations - that is, to illegal reductions in market access."

***The Results of the Uruguay Round of Multilateral Trade Negotiations. Market Access for Goods and Services: Overview of the Results** is available on request from the GATT Secretariat.

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