

Bilateral and Regional Free Trade Agreements

Some Critical Elements and
Development Implications

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Bilateral and regional free trade agreements (FTAs) between developed and developing countries are proliferating. They usually contain tariff-reduction commitments and disciplines deeper than at the World Trade Organisation and also contain rules that are not in the WTO.

This book argues that the comprehensive and strict obligations these FTAs impose will seriously constrain the developing-country party's policy-making capacity to pursue national socioeconomic and development goals. As a result of this erosion of policy space and the drastic market-opening demanded by FTAs, no less than the country's development prospects would be undermined.

The book examines the development implications of FTAs for signatory developing countries in each of the major areas typically covered by these agreements, including trade in goods, trade in services, investment, government procurement, competition policy and intellectual property rights. In light of the very real risks posed, developing countries should assess the costs and benefits of an FTA before deciding whether to enter into or conclude negotiations.

The book uses the typical FTA that the United States adopts with developing countries as the main basis of its analysis. FTAs adopted by other developed countries share many of the same features.

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