

## **EUROPEAN ECONOMIC INTEGRATION - Bad News for Developing Countries?**

*Erich Gundlach*

### **ABSTRACT**

*Developing countries have been particularly worried by the single-market programme since the EC absorbs more than a third of their total exports to developed economies. At present, fears of a Fortress Europe and negative net trade effects for DCs appear to be unfounded, however. DCs have proven to be competitive in a number of labour and capital intensive industries in the past; and it is rather unplausible that European suppliers will gain a competitive edge in these industries as a result of the single market. With the exception of agricultural economies specialising in specific products, the net welfare effect of EC-1992 will, therefore, be either positive or at worst zero for most DCs.*

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