



## FIFTH CHINA ROUND TABLE ON WTO ACCESSIONS Best Practices on the Accessions of Least Developed Countries (LDCs)



*Siem Reap, Cambodia 20 - 23 March 2017*



# Overview of LDC Accessions: Results and State of Play

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**Accessions Division**

# Overview



1. Achievements to date
  - ❖ 9 LDC accessions concluded in 2004 - 2016
  - ❖ Mandate and Policy Framework
  - ❖ Results: “Accession Acquis”
2. State of Play
  - ❖ Strategic priorities for 2017
  - ❖ State of play in other LDC accessions
3. Accession Challenges
4. TA and accession support

# What has been done so far in WTO accession?

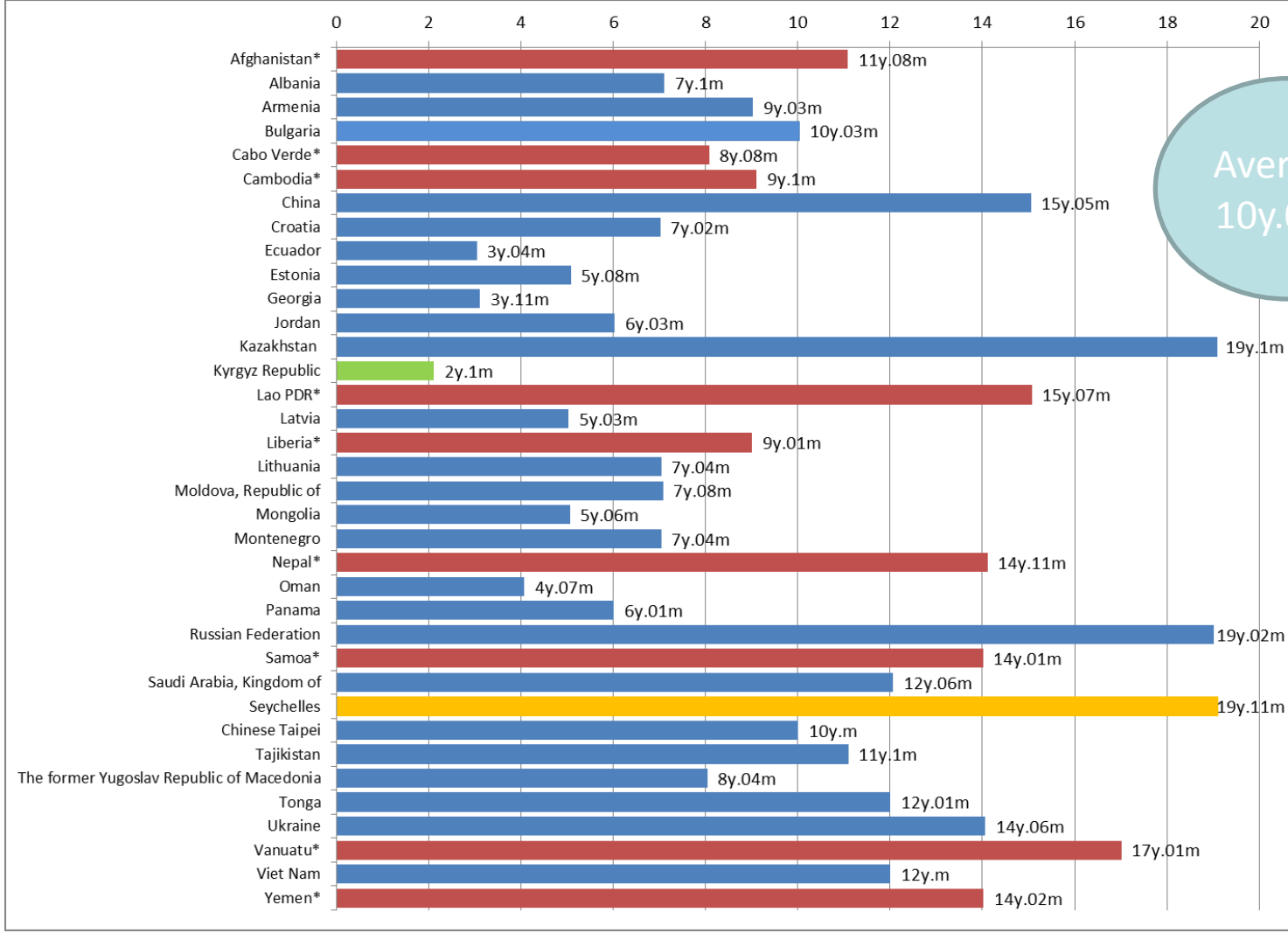


- ❖ 36 Governments have acceded since 1995 *via* Article XII negotiations
- ❖ 9 new Members joined as Least-developed countries (LDCs) (see \*)
- ❖ Article XII Members account for over 20% of WTO membership (164 WTO Members)

- **Afghanistan\***
- Albania
- Armenia
- Bulgaria
- **Cambodia\***
- **Cabo Verde\* °°**
- China
- Croatia
- Ecuador
- Estonia
- Georgia
- Jordan
- Kazakhstan
- Kyrgyz Republic
- **Lao PDR\***
- Latvia
- **Liberia\***
- Lithuania
- Former Yugoslav Republic of Macedonia
- Mongolia
- Montenegro
- Moldova
- **Nepal\***
- Oman
- Panama
- Russian Federation
- **Samoa\* °°**
- Kingdom of Saudi Arabia
- Seychelles
- Chinese Taipei
- Tajikistan
- Tonga
- Ukraine
- **Vanuatu\***
- Viet Nam
- **Yemen\***

°° Cabo Verde and Samoa acceded to the WTO as LDCs, but graduated from LDC status in December 2007 and January 2014 respectively.

# Length of WTO accession negotiations: From application to membership, in years



Average:  
10y.04m

\* Acceded as LDC. On average, 9 LDC accessions took 12 years and 9 months

# LDC accessions concluded in 2004-2016



Article XII Member	Application Date	Membership Date	Total Time of Accession Process
<i>General Council Decision on Accession of LDCs, December 2002</i>			
<b>Nepal</b>	05/1989	04/2004*	14 years 11 months
<b>Cambodia</b>	12/1994	10/2004*	9 years 10 months
<b>Cape Verde</b>	11/1999	07/2008	8 years 8 months
<b>Samoa</b>	04/1998	05/2012*	14 years 1 months
<b>Vanuatu</b>	07/1995	08/2012	17 years 1 months
<i>General Council Decision on Accession of LDCs, July 2012</i>			
<b>Lao PDR</b>	07/1997	02/2013	15 years 7 months
<b>Yemen</b>	04/2000	06/2014*	14 years 2 months
<b>Liberia</b>	06/2007	07/2016*	8 Years 1 month
<b>Afghanistan</b>	11/2004	07/2016*	10 years 8 months

\* Adoption of Accession Protocol by WTO membership at Ministerial Conference.

# New Members in 2016: Liberia and Afghanistan



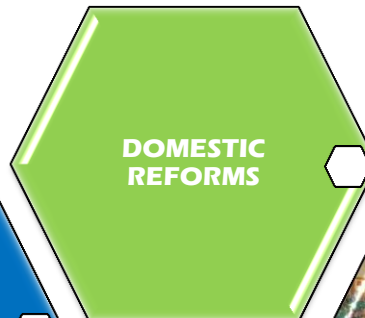
**Liberia** became the  
163<sup>rd</sup> Member on 14 July 2016



**Afghanistan** became the  
164<sup>th</sup> Member on 29 July



# REASONS FOR JOINING...



# The Legal Framework



## AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

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### *Article XII*

#### *Accession*

1. Any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in this Agreement and the Multilateral Trade Agreements may accede to this Agreement, on terms to be agreed between it and the WTO. Such accession shall apply to this Agreement and the Multilateral Trade Agreements annexed thereto.  

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2. Decisions on accession shall be taken by the Ministerial Conference. The Ministerial Conference shall approve the agreement on the terms of accession by a two-thirds majority of the Members of the WTO.
3. Accession to a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.

❖ On “terms to be agreed” ...



# LDC Accessions Mandate and Policy Framework



- ❖ Article XII of Marrakesh Agreement Establishing WTO
- ❖ 2001 Doha Mandate to “facilitate and accelerate negotiations with acceding LDCs” (para. 42 of Min. Dec.)
- ❖ 2002 Guidelines for LDCs’ Accessions (WT/L/508)
  - ✓ Market Access, WTO Rules, Process, Technical Assistance
- ❖ 2012 GC Decision to strengthen, streamline and operationalize the 2002 Guidelines (WT/L/508/Add.1)
  - ✓ Benchmarks on market access in Goods and Services;
  - ✓ Transparency in accession negotiations, including WP Chairperson’s “facilitation” role;
  - ✓ Special and Differential Treatments and Transition Periods;
  - ✓ Technical Assistance

# Accession Commitments by LDC Article XII Members

Article XII LDC Members	Year of WTO Membership	Working Party Report		Market Access commitments on Goods				Market Access commitments on Services: Number of services subsectors
		Number of Commitment Paragraphs	Transition commitments	Binding coverage	Average FBR			
					All products	Ag products	Non-Ag products	
Nepal	2004	25	4	99.4	26.0	41.4	23.7	77
Cambodia	2004	29	8	100	19.1	28.0	17.7	94
Cabo Verde	2008	27	10	100	15.8	19.3	15.2	103
Samoa	2012	37	5	100	21.1	25.8	20.4	80
Vanuatu	2012	30	2	100	39.7	43.6	39.1	69
Lao PDR	2013	26	6	100	18.8	19.3	18.7	79
Yemen	2014	28	8	100	21.1	24.9	20.5	81
Liberia	2016	31	10	100	26.7	23.8	27.2	102
Afghanistan	2016	37	7	96.6	13.5	33.6	10.3	104

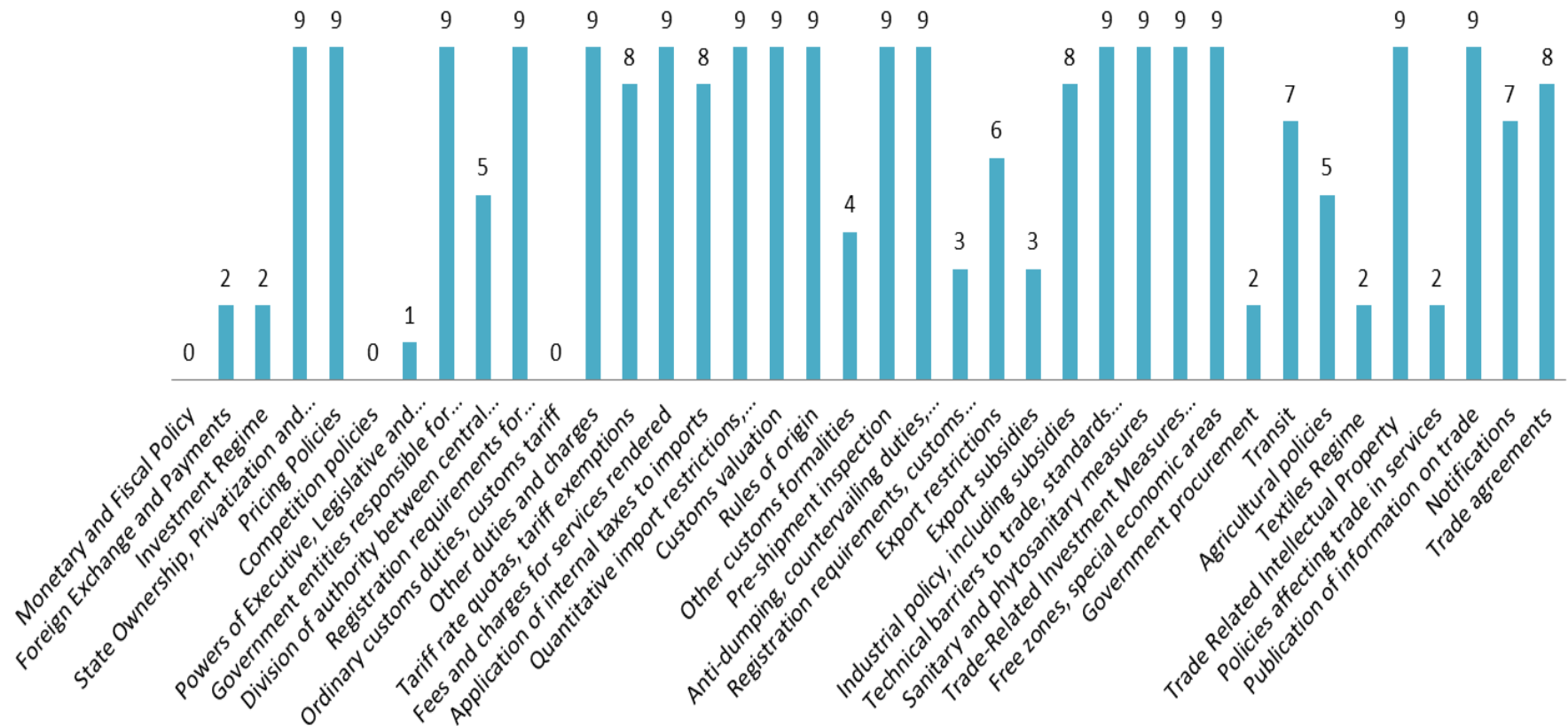
# Number of Commitments by Chapter of WP Report



❖ 9 Article XII LDCs made commitments in 35 out of 38 sections of WP Reports.

## LDC Commitment Coverage

■ LDC Commitment Coverage



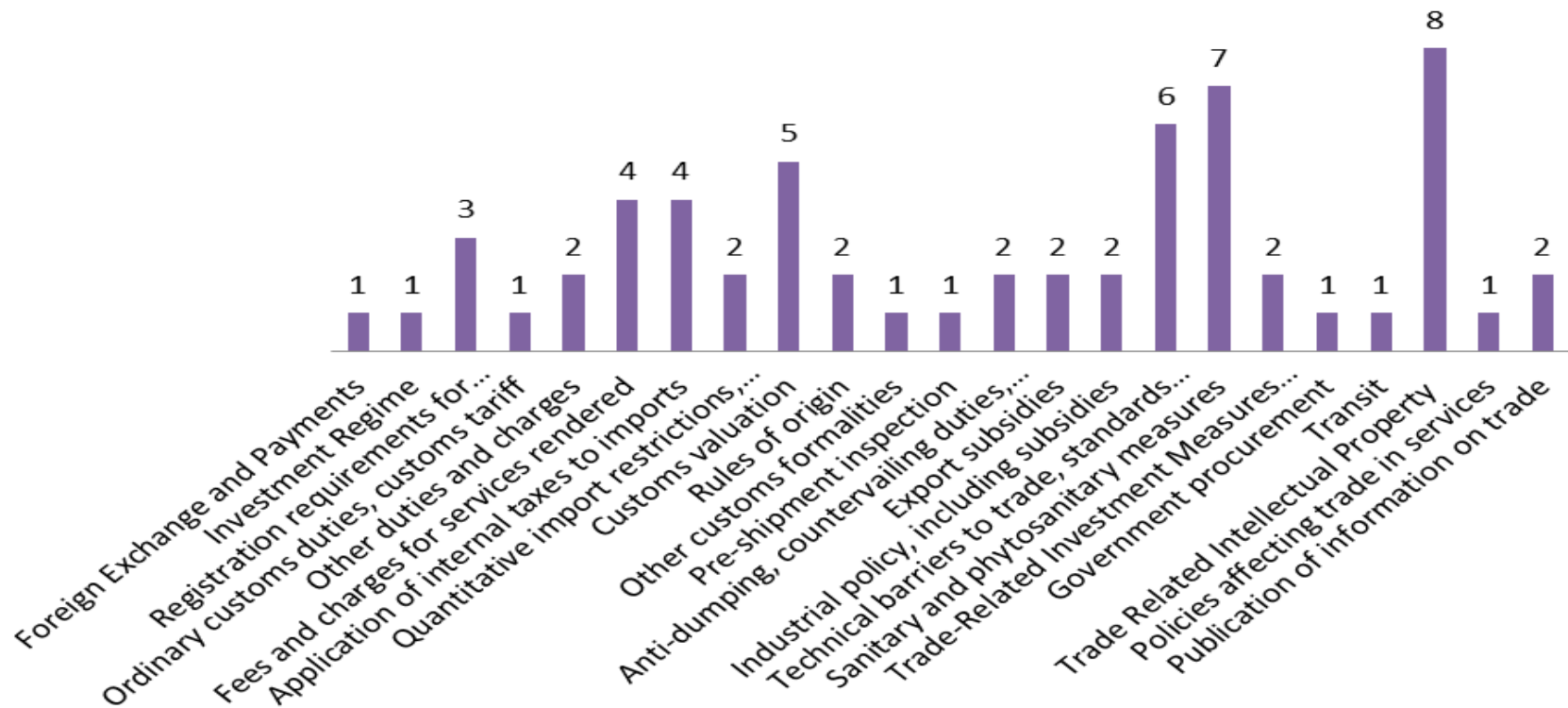
# Transitional periods



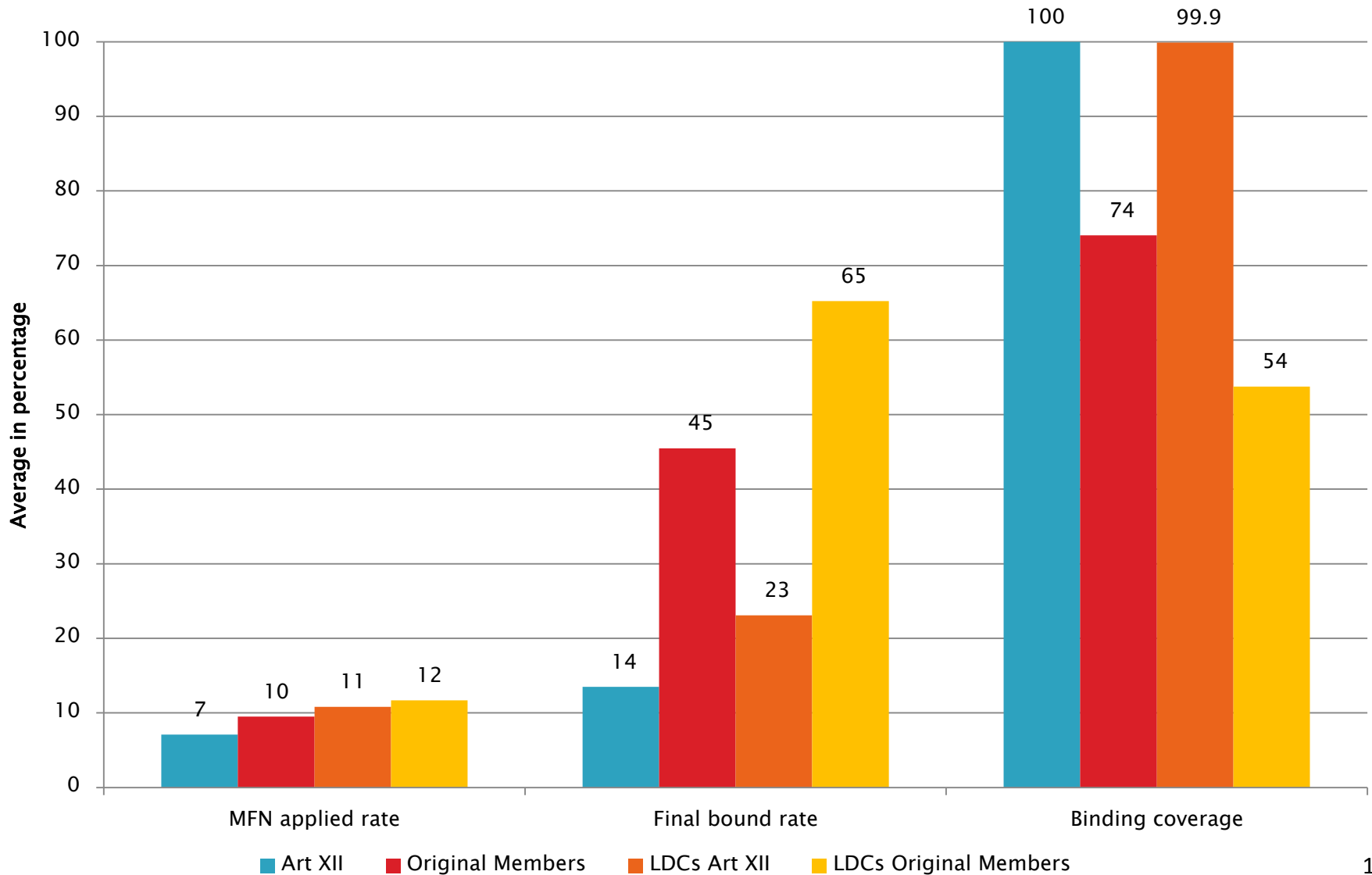
- ❖ 9 Article XII LDCs granted transitional periods in 23 out of 38 sections of WP Reports

## Transitional Periods granted to LDCs

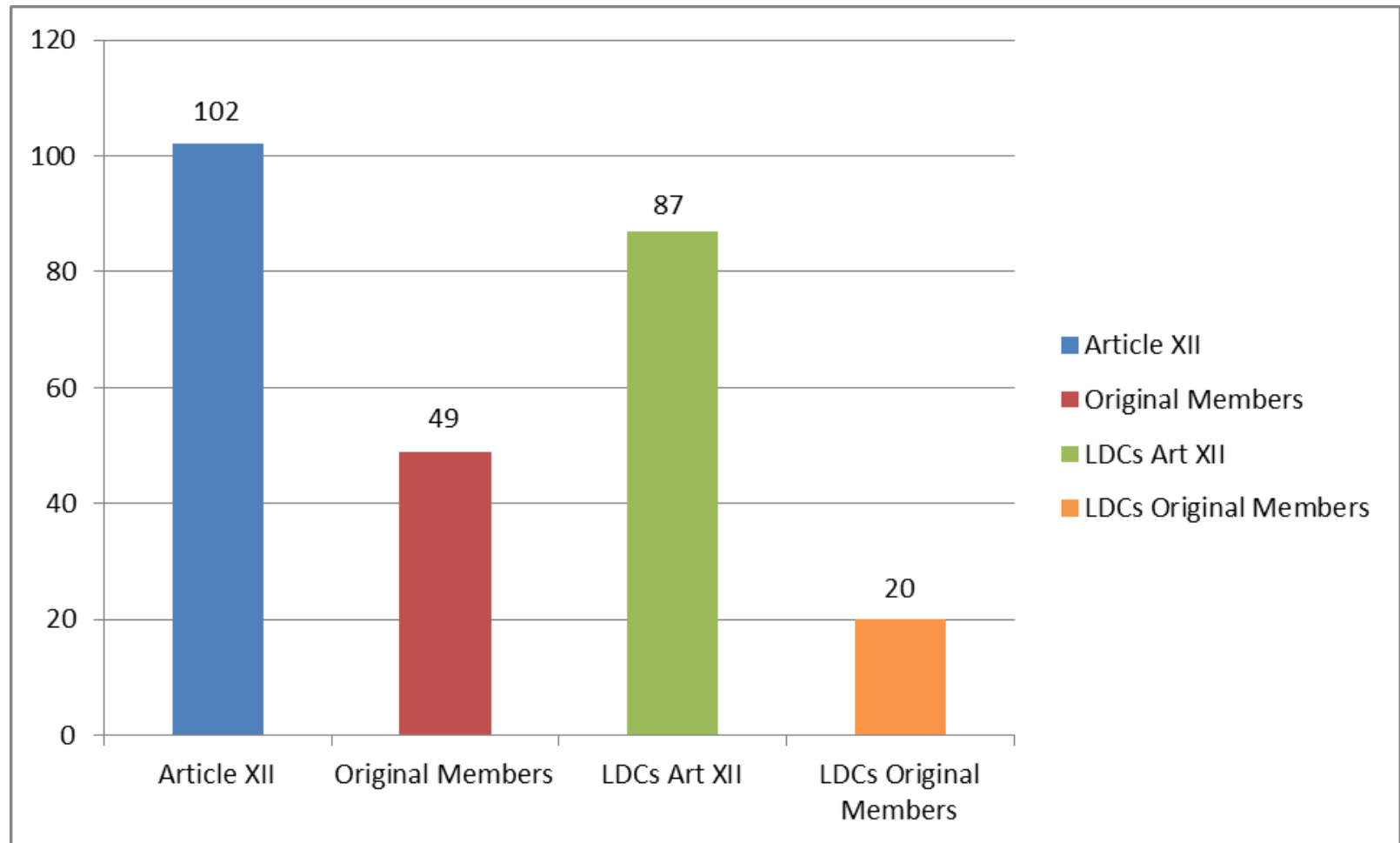
■ Number of Article XII LDCs



# Accessions Results: Goods



# Accessions Results: Services



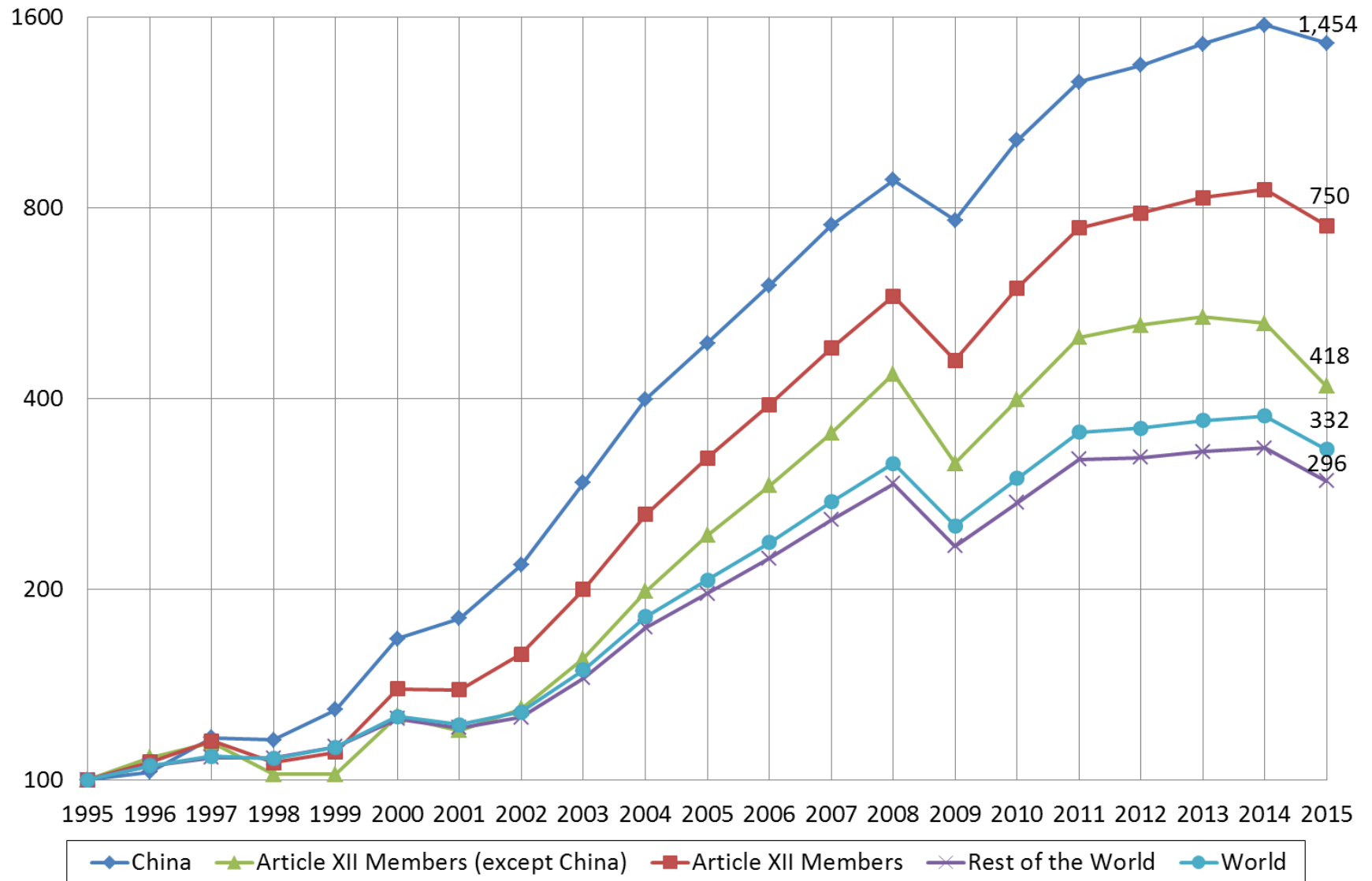
# WTO Accession – An Instrument for Domestic Reforms and Economic Growth



Members which acceded pursuant to Article XII have:

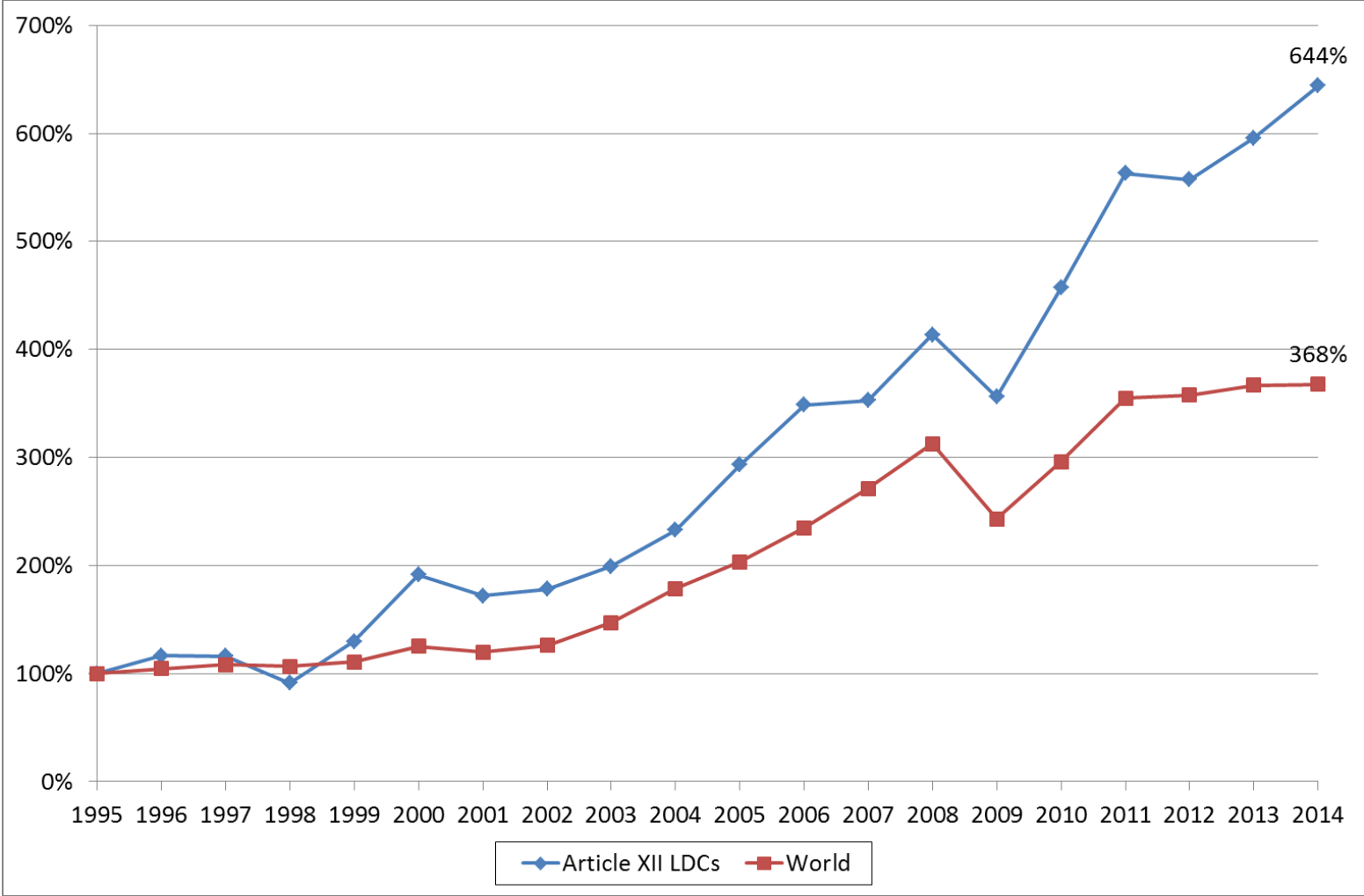
- ❖ Faster trade and GDP growth
- ❖ More diversified economy after accession
- ❖ Increased competitiveness & greater FDI attractiveness
- ❖ LDC graduation
  - ✓ Cabo Verde (December 2007)
  - ✓ Samoa (January 2014)
  - ✓ Vanuatu (recommended for 2018)

# Accessions Results: Exports growth





# Merchandise trade: exports growth



# Map of WTO Members and Observers



# CURRENT STATE-OF-PLAY: WHAT REMAINS?



## ❖ 21 accession Working Parties in process

✓ On average, 16.5 years since application

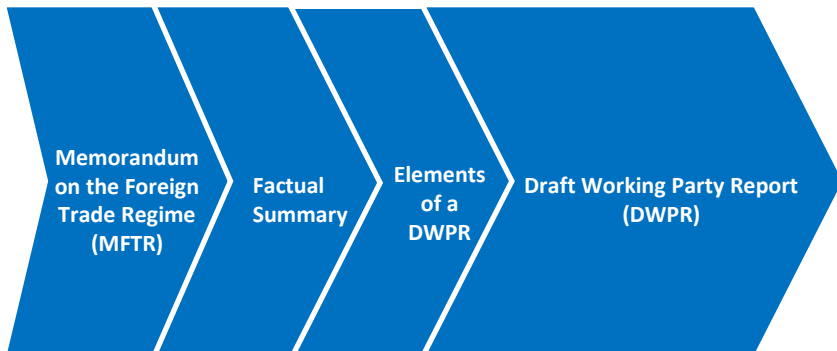
✓ 8 LDCs

- Algeria
- Andorra
- Azerbaijan
- The Bahamas
- Belarus
- **Bhutan\***
- Bosnia & Herzegovina
- **Comoros\***
- **Equatorial Guinea\***
- **Ethiopia\***
- Islamic Republic of Iran
- Iraq
- Lebanese Republic
- Libya
- **Sao Tomé & Príncipe\***
- Serbia
- **Somalia\***
- **Sudan\***
- Syrian Arab Republic
- **Timor-Leste\***
- Uzbekistan

**\*LDCs**

Working Party established

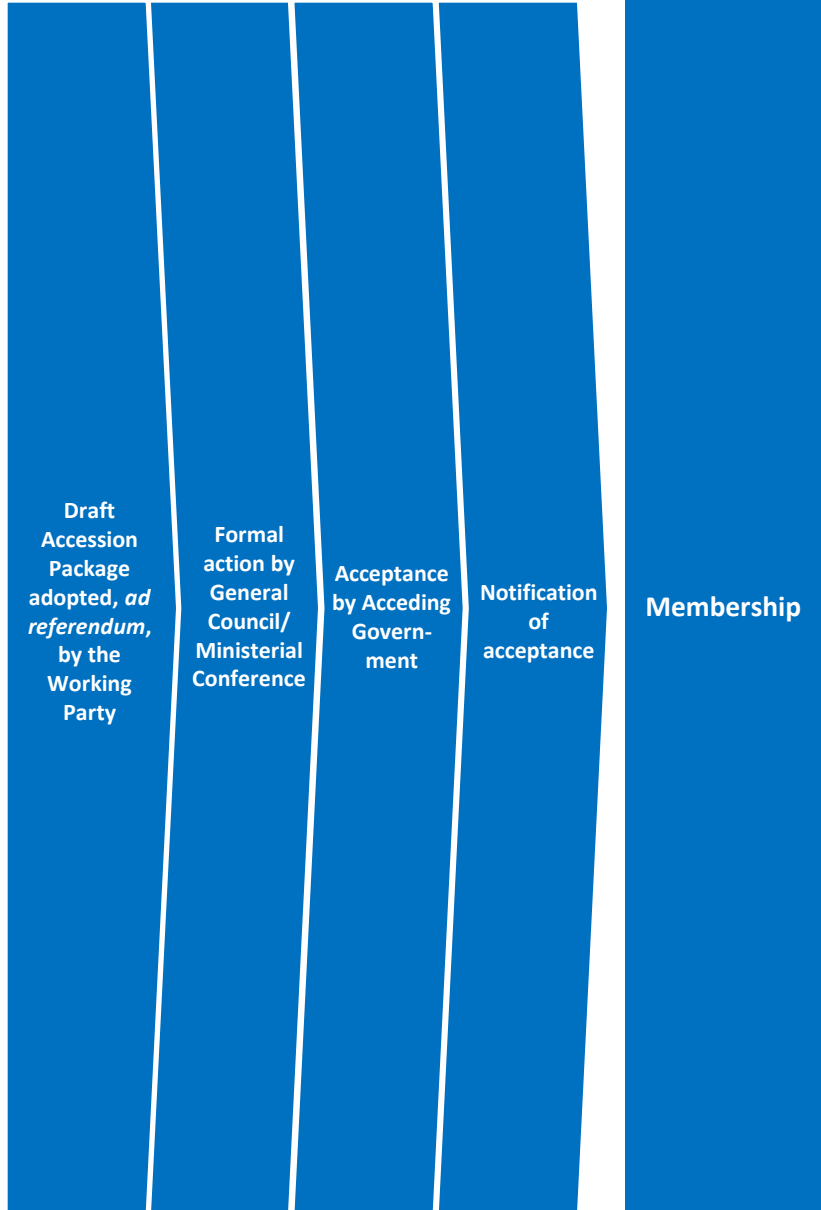
Multilateral Process



Plurilateral Process



Bilateral Process



# On-going LDC Accessions: State of Play



ACCEDING LDC	PROCESS			RULES			MARKET ACCESS	
	WP Establishment	WPM – First & latest	# of WPM	MFTR	Factual Summary	Draft WP Report	Goods Offer	Services Offer
Sudan	10/1994	07/2003 01/2017	3	01/1999 10/2016	09/2004	--	07/2004 11/2016	06/2004 11/2016
Bhutan	10/1999	11/2004 01/2008	4	02/2003	08/2005	12/2007	08/2005 11/2007	08/2005 11/2007
Ethiopia	02/2003	05/2008 03/2012	3	01/2007	03/2012	--	02/2012	--
Sao Tomé & Príncipe	05/2005	--	--	--	--	--	--	--
Comoros	10/2007	12/2016	1	10/2013	To be issued	--	10/2016	10/ 2016
Equatorial Guinea	02/2008	--	--	--	--	--	--	--
Somalia	12/2016	--	--	--	--	--	--	--
Timor-Leste	12/2016	--	--	--	--	--	--	--

# 2017 Strategic Focus - Comoros



- ❖ WP Establishment: 2007
- ❖ WP Chair: Amb. Luis Enrique CHÁVEZ BASAGOITIA (Peru)
- ❖ MFTR submitted in 2013, followed by technical work
- ❖ Circulation of 13 documents in October 2016
  - ✓ Including initial market access offers
- ❖ 1<sup>st</sup> WP meeting held in December 2016
  - ✓ Delegation led by Vice President
- ❖ Visit by WP Chair/Secretariat to Moroni
  - ✓ Meetings with President, Ministers, Speaker of Parliament, Private Sector
- ❖ Next steps:
  - ✓ Factual Summary & revised offers
  - ✓ 2<sup>nd</sup> Working Party scheduled for late April



# 2017 Strategic Focus – Sudan



- ❖ WP Establishment: 1994
- ❖ No-activity since 2<sup>nd</sup> WP meeting in 2004 and re-activation started with a Minister's visit to Geneva in July 2016
- ❖ Appointment of Mr. Kuwana (Japan) as new WP Chair in July
- ❖ Secretariat's 2-week mission to Khartoum in Sept-Oct 2016
- ❖ Updated negotiating inputs circulated to WP in Oct-Nov 2016
- ❖ 3<sup>rd</sup> WP meeting: 31 January 2017
  - ✓ Formal resumption after 13 years
- ❖ Next Steps:
  - ✓ Mission by WP Chair and Secretariat to Khartoum in early April
  - ✓ 4<sup>th</sup> WP meeting in May



# State of play in 4 other LDC accessions



## **Bhutan**

- ✓ WP Establishment: 1999; WP Meetings: 4. Last Meeting held in January 2008.
- ✓ Multilateral: draft WP Report circulated in December 2007.
- ✓ Bilateral: Market access offers on goods and services circulated in Nov. 2007.
- ✓ No activity at WP level since 2008.

## **Ethiopia**

- ✓ WP Establishment: 2003; WP Meetings: 3. Last Meeting held in March 2012.
- ✓ Multilateral: Factual Summary of the Points Raised circulated in March 2012
- ✓ Bilateral: Initial market access offer on goods circulated in February 2012.
- ✓ No activity at WP level since 2012.

## **Equatorial Guinea**

- ✓ WP Establishment: 2008; no WP Meetings yet as no submission of documentation
- ✓ Recent contacts with the WTO Trade Policy Reviews Division

## **Sao Tomé & Príncipe**

- ✓ WP Establishment: 2005; no WP Meetings yet as no submission of documentation



# New Acceding Governments - 2016



## Somalia

- ❖ Application for WTO accession circulated in November 2016

## Timor-Leste

- ❖ Application for WTO accession circulated in November 2016

**Accession Working Parties established at the General Council in December 2016**



# Accessions: Challenges



- ❖ Lack of (i) documentary basis to initiate WTO accession process and/or (ii) negotiating inputs to move WTO accession negotiations forward.
- ❖ “Low-hanging fruits” have already been harvested.
- ❖ War and post-conflict situations.
- ❖ Vested interests and domestic politics.
- ❖ Recent statehood.

# Accession experience of Liberia



- ❖ Overall length: 9 years and 1 month
- ❖ WP Establishment: December 2007
- ❖ Re-activation: May 2014
- ❖ 2015 Working Party process:
  - ✓ Finalisation in 10 months i.e. *post fact*-finding/MFTR stage
  - ✓ Five 2-week intensive Technical Working Sessions with the Secretariat on documents
  - ✓ 3 WP meetings - May, July and October
  - ✓ MC10 for formal action on Accession Protocol in December
- ❖ Ingredients for success
  - ✓ Strong political commitment of the acceding government
  - ✓ Readiness for prompt WTO-consistent legislative reforms
  - ✓ Strong negotiating team and good internal coordination
  - ✓ WP Chairperson's leadership
  - ✓ Coordination with Members ("Friends of Liberia")
  - ✓ Technical support from the Secretariat



# Technical Assistance and Support



## ❖ WTO Technical Assistance and Training Plans

- ✓ Accessions as one of the four priorities
- ✓ China LDCs and Accessions Programme - “China Programme”

## ❖ Accession-specific support

- ✓ Workshops & technical support for process and documentation
- ✓ Outreach to key stakeholders – Inter-ministerial committee on accession, private sector, parliament, academia, media
- ✓ Support from “Friends of Accession”
  - Liberia: Swedish National Board of Trade
  - Afghanistan: USAID
  - *Sudan & Comoros: China Program, EIF & bilateral partners*

## ❖ Post-Accession Support





## FIFTH CHINA ROUND TABLE ON WTO ACCESSIONS

### Best Practices on the Accessions of Least Developed Countries (LDCs)



*Siem Reap, Cambodia 20 - 23 March 2017*



# QUESTIONS?

❖ [accessions@wto.org](mailto:accessions@wto.org)