

Statement
by:

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Accessions for the Greater Horn of Africa

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Introduction

Excellencies, Honorable and Distinguished Guests, Ladies and Gentleman,

Before I delve into my discussion points, I first wish to express deep thanks to the organizers of this regional session. The Federal Government wishes to thank the WTO Secretariat, the Department of Economics at the University of Nairobi and the Cabinet Ministry for Foreign Affairs and International Trade for the Republic of Kenya for being such gracious and kind hosts. I also take this time to acknowledge all of my counterparts who are here today in support of the ongoing activities of Somalia, the Comoros, South Sudan, Sudan and Ethiopia.

It seems like only yesterday that the historic MC10 2015 happened here in Nairobi - sparking new dialogue, applications and efforts from many African counterparts - an example is Somalia's very own WTO application being submitted at that same time. It is therefore very befitting that this regional dialogue is being held here in Nairobi - the city where the first ever MC10 meeting was held on African soil - setting a new precedent and showcasing to the world that African states very much have a seat at the table in the international trade community and have full ownership of their trade regimes.

Somalia's Accession Process: Updates

I am honored to be sitting here amongst my esteemed counterparts: from those who represent states that are WTO members, to those representing countries currently navigating their own accession process - there is much that can be learned from the experiences and perspectives shared here and I have taken note of many of the salient points raised which I believe will be very helpful for the process that lies ahead for Somalia.

Since Somalia's application was submitted in 2015, much change has occurred in the country. The most notable being the change in political landscape and peaceful transition of the new government in February and March 2017 and that of the former administration in 2012. The new administration is completely committed to Somalia's negotiations and much has occurred since coming into office. It is pertinent to have a multilingual team who could exercise strong negotiating skills, and who have strong ties to their home governments so that Somalia can effectively engage with the WTO Ministerial Conference with some of the obstacles that plagued previously acceding governments regarding accessibility, whether cultural or linguistic, removed.

Our Government understands Somalia's need for extensive support as a LDC joining the WTO, however the recent aforementioned efforts show that our Government is very much dedicated to contributing as much to the accession process as it possible can. As well as make the most of the support already provided for example: the accessions division of the WTO Secretariat and others who have been assisting us

every step of the way.

Interventions: 1) Political Stability and State Participation & 2) Reformative Burden and Scope of WTO Disciplines

Post 1994 and the Marrakesh Declaration - many could argue that more stringent obligations are imposed that are extremely difficult for LDCs, and in particular those that are post conflict, to adhere to. However, there is always an opposing view to this that perhaps these obligations can push LDCs to completely reform themselves and aim to align with international standard practice, allowing for ample opportunities. A lot has been shared already on this panel in regards to LDC perceptions, and I would like to give my interventions from the perspective of an acceding post conflict and restructuring state.

My interventions will be two fold and I will discuss often highlighted challenges that regularly face LDCs: Firstly; Political Stability and State Participation, and Secondly; Reformative Burdens and Scope of WTO Disciplines, and how Somalia is currently tackling, or will tackle them in its negotiating process.

1) Political Stability and State Participation

For one LDC, the length of WTO negotiations saw the succession of nine very different governments, most of which did not get time to become aware, or familiar with, the details of the accession package or the role of the WTO. In Somalia's case, our our President H.E. Mohamed Abdullahi 'Farmaajo' has pledged his full support to Somalia's accession to the WTO, and is actively involved with my Ministry and our Embassy in Geneva led by the diligent Amb. Faduma Mahmoud who is here today. As Minister of Commerce and Industry heading the focal ministry to the WTO accession I aim to:

Excellency, please state the aims of your Ministry under your leadership

The President and myself both understand the need for domestic support from Government institutions. For the MFTR drafting to be fruitful, the negotiating team is setting goals and clear aims for government offices and agencies purely for the WTO and I believe that WTO membership is contingent upon full participation and activity from the Government to reform the country.

Taking inspiration from Liberia for example, Somalia's Executive must work closely with its Legislature, the Parliament, from this early stage of supporting new reformative legislation right until the end and the ratification of the protocol of accession.

1) Reformative Burden and Scope of WTO Disciplines

It is also commonly argued that the WTO accession process is largely one sided - that the deal is mainly imposed on candidates by incumbent members, and as the WTO membership grows, LDCs will be left adhering to more and more requests from a large Ministerial Council with limited resources to do so. Although an Asian example, the examples of the first acceding WTO LDCs: Nepal and Cambodia, for example, were expected to commit three to four times more services sectors than the average WTO member in their negotiations. Much has developed since then, particularly for African states which now comprise one quarter of the WTO membership and we anticipate that this will not be the case for Somalia.

For Somalia, it is important to not accept far reaching concession requests - without securing exceptions and sufficient transition periods. The applying for membership to the WTO is, after all, a purely voluntary process. Suffice it to say, a way of securing sufficient ownership for Somalia's own accession is for example, making it standard practice to seek technical assistance and prepare realistic implementation plans, rather than committing to obligations unprepared where there is prematurity or weaknesses in Somalia's institutional infrastructure that may require delays in the WTO provisions' implementation.

Our Government understands the herculean efforts that lie ahead in Somalia's reformation and look forward to gaining engaging with and gaining the support of our

major trading partners, our fellow member states in the Organization of Islamic Cooperation and Arab League - of which Somalia has signed both investment treaties, for example. Somalia also aims to move forward with its accession to COMESA after almost two years since applying. Our Government anticipates to have the full support of its neighbors in its bid to join COMESA and to work in tandem with many of the economic and security requirements needed that will also benefit the WTO accession.

LDCs are also supported by funds such as TAF2 kindly provided by DFID and the UK Government allowing for technical assistance. Funds like this are important as they shift the narrative from that of humanitarian disaster responses and 'aid' based approaches (an image that our Government is very conscious of), to an approach that bolsters trade and the economy and gives Somalis the autonomy to build their own capacity with the right tools provided such as peer to peer knowledge sharing and diplomatic support.

As we currently start the beginning stages of our MFTR, which my colleagues will present later this week, it is also important to note that as a LDC, our MFTR is taking a tailored approach to some of the non traditional measurements that Somalia has to offer - not just from formal channels in public and private spheres but also from local level businesses, farmers and so on. After all, giants such as Dahabshiil, Hormuud and other Somali owned companies were once small businesses that flourished despite the devastation of the war and Somalia is a land of many success stories where all facets

of society must be consulted. The uniqueness and resilience of the Somali people therefore must also be measured in a way which makes sense - and therefore comparing our MFTR template to that of other LDCs may be misplaced as every country is different. Thankfully, the WTO Secretariat has been extremely helpful and have also highlighted the need to look for innovative data gathering and information collecting methods in preparation of our MFTR, and this must be noted.

Conclusion

So, what does Somalia have to offer the WTO one might ask? According to the World Bank, there are three benefits from WTO membership: improving policies and institutions; larger market access and improvement of dispute settlement - all areas which are currently being worked on in Somalia, prior even to the WTO application. Now more than ever is access to information available with much of the most recent reports available on social media and being released by those in the Government and not - such as the IMF and World Bank's 2017 reports on Somalia.

Whilst one may argue that there is much groundwork to be made in the years to come, it is always important to look in retrospect to know where one is going. Strong legislation, regulations and investment and trade have long been key economic drivers in Somalia prior to the civil war from its inception as Africa's first democracy in 1960. Imperative to note then, the remarkably progressive stance the country held then as a newly independent country. The 1970s saw a proliferation of infrastructural expansions, industrial developments, new regulations and many legislations being

passed. Somalia's Investment Code at the time, for example, was one of the most cutting edge investment laws at the time. At a time when much of Africa was still under colonial rule, the investment code sought to protect the sovereignty of the Somali state and foreign investors offering most favored nation provisions and much more - this for example fulfills our MFTR criteria in accordance with annex 1 of procedures for negotiations under article 22.

Somalia was one of the earlier member states - one of the first African in fact, to become a member state of the International Centre for the Settlement of Investment Disputes at the World Bank, also known as 'ICSID'. With Somali signing and ratifying the ICSID convention in 1965 and 1968, respectfully. As we all know, ICSID has now grown to become the world's premier ISDS Centre particularly for WTO member states. The Government has looked to its pioneering past - got inspired, and made great strides in reforming it's dispute resolution landscape with the current arbitration bill about to be tabled before Parliament and New York Convention being ratified this year. Again, all these developments already in process since before our membership application. Somalia should therefore be absolutely clear about playing to its strengths and the progress that has, and continues to be made in the country, and must continue to galvanize the support of international and regional organizations and allies - most importantly the WTO and its members moving forward.

On a final note coming full circle if I may, the 'Guidelines on the Accession of LDCs' adopted by the General Council after the Doha Declaration, stipulates that WTO members must give consideration to acceding to LDCs and this must always be

remembered. Having platforms like this to discuss and be critical where need be allowing both representatives of WTO member states, acceding states and the WTO Secretariat to be both honest and progressive with one another so as to see what needs to be improved and also any progress that has been made.

I look forward to hearing the rest of the discussions here and answering any questions the audience and my counterparts may have.

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