

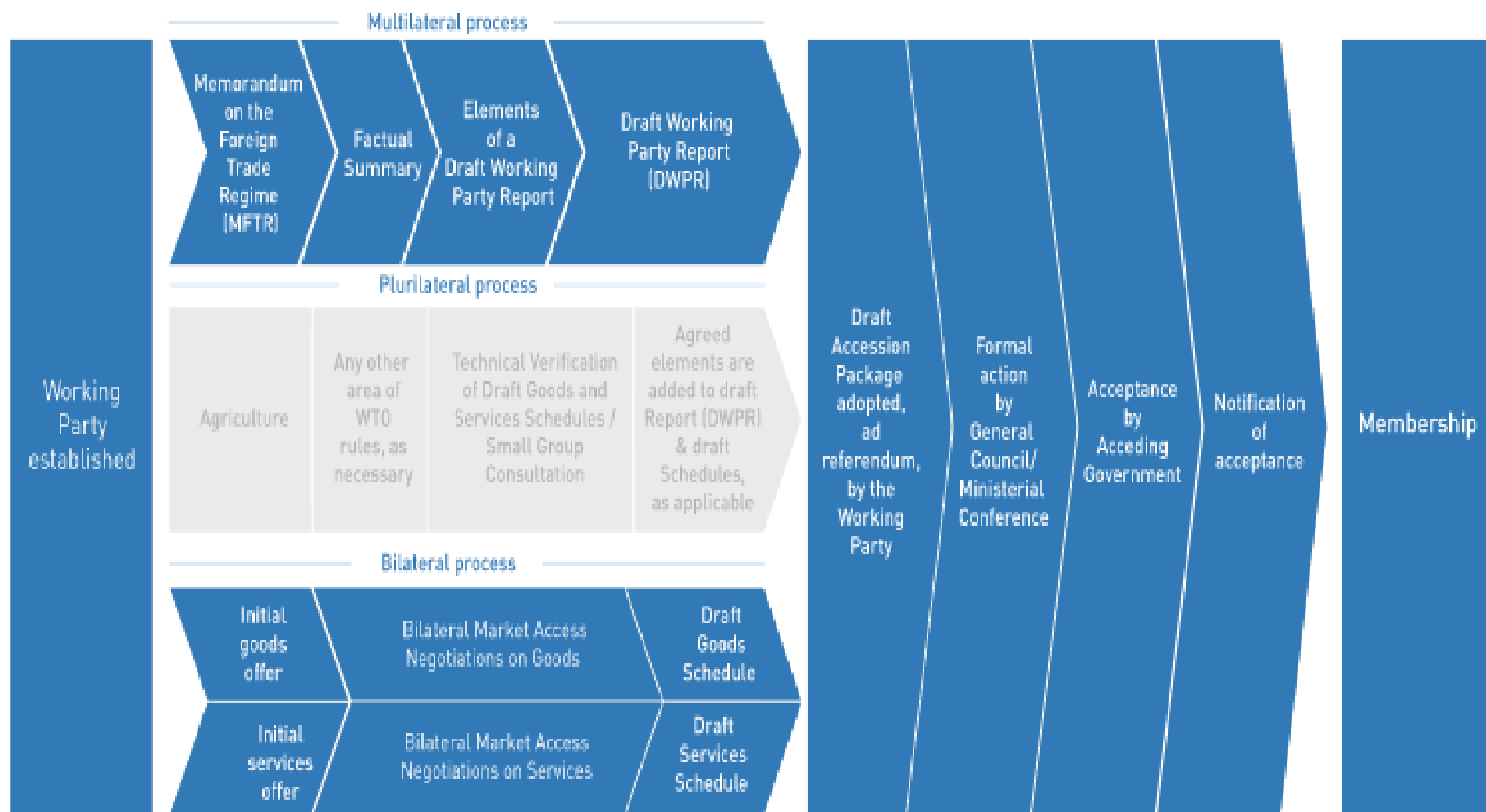
# **WTO Accession Process LDC Perspectives**

**Regional Dialogue on WTO Accessions  
for the Greater Horn of Africa, 29 August 2017**

Nagib Hamim  
Economic Attaché, WTO Affairs  
Permanent Mission of the Republic of Yemen, Geneva-Switzerland

# WTO Accession

- **Article XII.1**  
**‘any state or separate customs territory possessing full autonomy in the conduct of its external commercial relations ... may accede to this Agreement, on terms to be agreed between it and the WTO ...’**
- **XII.2 (decisions on accession...by MC...by two-thirds...)**  
**XII.3 (accession to a Plurilateral Trade Agreement...)**
- **36 countries acceded to WTO since 1995**
- **9 LDC accessions**
- **21 in accession**
- **Very few remains**
- **Comoros and Sudan aim for MC11**



# **LDCs accession**

- **Goal: establish effective, simplified fast-track bidding mechanism**
- **High-Level Meeting on Integrated Initiatives for LDCs' Trade Development, 1997**
- **EU initiative on “Fast Track” LDCs WTO accession, 1999**
- **WTO Ministerial Declarations**
- **LDC Ministerial Declarations**
- **LDC-III and IV UN Conferences**
- **Concern of LDC Group in Geneva**
- **Latest attempt, include accession in SDT proposal**
- **Dialogue with Acceding LDCs**
- **China Round Table meetings on LDCs accession**
- **DG yearly Status Report**

# **General Council Decision I**

- **General Council Decision on LDCs Accession Guidelines (WT/L/508)**
  - **Market Access**
  - **WTO Rules**
  - **Process**
  - **Trade-related technical assistance and capacity building**
- **WTO Members to exercise restraint in seeking MA**
- **Acceding LDCs to offer reasonable MA**
- **Apply SDT to all acceding LDCs**
- **Avail WTO DG good-offices assistance**
- **Provide targeted and coordinated TA/CB**

# **General Council Decision II**

- **General Council Decision on LDCs Accession Guidelines (WT/L/508/Add.1)**
- **« to strengthen, streamline and operationalize the 2002 LDC Accession Guidelines »**
  - **Benchmarks on Goods**
  - **Benchmarks on Services**
  - **Transparency in Accession Negotiations**
  - **S&D and Transition Periods**
  - **Technical Assistance**

# **MA Negotiations**

- **MA Offer/Request process**
- **Goal: to reach Goods' Tariffs binding and Services commitments**
- **No rules governing such process**
- **No limit for members' demands**
- **Initial offers on Goods and services/several revised offers**
- \* **Key elements in preparing Goods Offer**
  - **Protection of domestic production**
  - **Current and potential range**
  - **Competition from imported products**
  - **Reduction in Government revenues**
- \* **Key elements in preparing Services Offer**
  - **Reasonable number of Sectors/Sub-Sectors**
  - **Conditional commitments on Services**
  - **Preserve key national interests**

# MA Negotiations

- **Benchmarks on Goods**
- **Restraint /Reasonable requests and offers**
- **Principles:**
  - **Comprehensive binding coverage**
  - **Appropriate balance**
  - **Concessions vary**
- **Reference points on Goods**
  - **AG 50% with 100% coverage**
  - **NAMA 35% with 95% coverage**



# MA Negotiations

- **Benchmarks on services**
- **Fall short of establishing measurable/enforceable benchmarks**
- **No agreement on average number of service sectors and sub-sectors**
- **Agreed on some qualitative benchmarks Principles and Commitments**
- **Take into account difficulty of acceding LDCs**
- **Not be required to undertake commitments beyond existing LDCs**
- **Flexibility to undertake commitments under different modes of supply**
- **Flexibility to open/liberalize fewer sectors/types of transactions**
- **Not offer full national treatment nor additional commitments**

# LDCs MA Negotiations

## Final Outcomes

Country	Membership Date	Services sub-sectors commitments	Tariff binding coverage	Average final bound rates (all products)	Average final bound rates (Agriculture products)	Average final bound rates (non-agriculture products)
Nepal	23/04/2004	77	99.4	26.0	41.5	23.7
Cambodia	13/10/2004	94	100	19.1	28.1	17.7
Cape Verde	23/07/2008	103	100	15.8	19.3	15.2
Samoa	10/05/2012	80	100	21.1	25.8	20.4
Vanuatu	24/08/2012	69	100	39.7	43.7	39.1
Lao P.D.R.	02/02/2013	79	100	18.8	19.3	18.7
Yemen	26/06/ 2014	78	100	21.1	24.9	20.5
Liberia	14/07/2016	102	100	26.7	23.8	27.2
Afghanistan	30/07/2016	104	96.6	13.5	33.6	10.3

# Observations on MA Negotiations

- Limited transparency
- No “standards” for bilateral MA negotiations
- Real negotiations start late
- Guidelines help, but negotiations operate like any other
- Results show clear trend of deeper/wider concessions/commitments
- Final outcomes need not to be viewed as “right or wrong”
- Recently acceded LDCs provided more concessions/commitments
- Unilaterally reduced applied tariffs/liberalize services not rewarded
- Excessive demands by some WTO Members
- INRs: additional bonus to Members
- Sectoral initiatives and plurilateral agreements demands
- MA results went beyond development, financial and trade needs

# **Rules Negotiations**

- **Abide by original WTO rules and agreements**
- **Accept new WTO rules and agreements**
- **Commitment paragraphs on specific WTO agreements' provisions**
- **Eliminate measures not in conformity with WTO law**
- **Commitments not to have recourse to specific WTO provisions**
- **Additional specific commitments on Services**
- **Comply with "other international obligations"**
- **Specific time-limited transition arrangements**
- **SDT not automatically applicable**
- **Authorizations to depart temporarily from WTO rules**
- **Plurilateral trade agreements**
- **Some members may have other interests**

# Yemen Experience

- **LDCs accession guidelines**
- **Guidelines help but nothing is guaranteed**
- **Harmonize with LDC accessions**
- **Guard against acceding to the WTO at “any cost”**
- **National consensus prior to making concessions and commitments**
- **Maintain National Policy Space**
- **Alternative negotiating positions**
- **Deliver on expected concessions and commitments**
- **Seek SDT, including transitional periods and TA/CB**
- **Set indicative targets on Goods concessions**
- **No binding at or less than applied tariffs**
- **Limit Services commitments to reasonable level**
- **Ensure that domestic regulations are in place to safe guard national interests**
- **Build coalitions and support**
- **Mobilize support of Arab, LDC and other WTO Members and Groups**
- **Lobby in-country diplomatic representations**
- **Utilize DG good-offices assistance**
- **Accede ASAP**
- **Post-accession is “incomplete” due to force majeure**

# A new Member is born



# Final Thoughts

- **WTO-accession requires determination and dedication**
- **Process frustrating (slow, long and technically complex)**
- **Need to establish sound national accession coordinating machinery**
- **Assemble solid national positions on WTO accession issues**
- **Build alliance and network with other acceding LDCs and other supporting members**
- **Continue developing institutions and human resources capacity**
- **Focus on key national stakeholders' advocacy**
- **Involve national business community**
- **Defend economic/trade interests, as long as it takes**
- **Speed vs. Substance**
- **Practically speaking:**
  - **Work towards convening the next WP meeting**
  - **Revise Goods and Services offers based on bilateral requests and national interests**
  - **Address priority service sectors and sub-sectors**
  - **Prepare answers to members' questions**
  - **Update LAP and other documents**
  - **Consider commitments language made by LDC members**
  - **Seek SDT, including transitional periods and TA/CB**
  - **Utilize Geneva-based Missions**
  - **Try to conclude accession ASAP, while being firm and flexible**

**I wish you success in concluding  
accession negotiations, ASAP**

**nahamim@gmail.com**