

Presentation for Workshop
on WTO Accession and Industrial Policies
held on 19-21 December 2016
at Parsian Azadi Hotel, Tehran, Iran

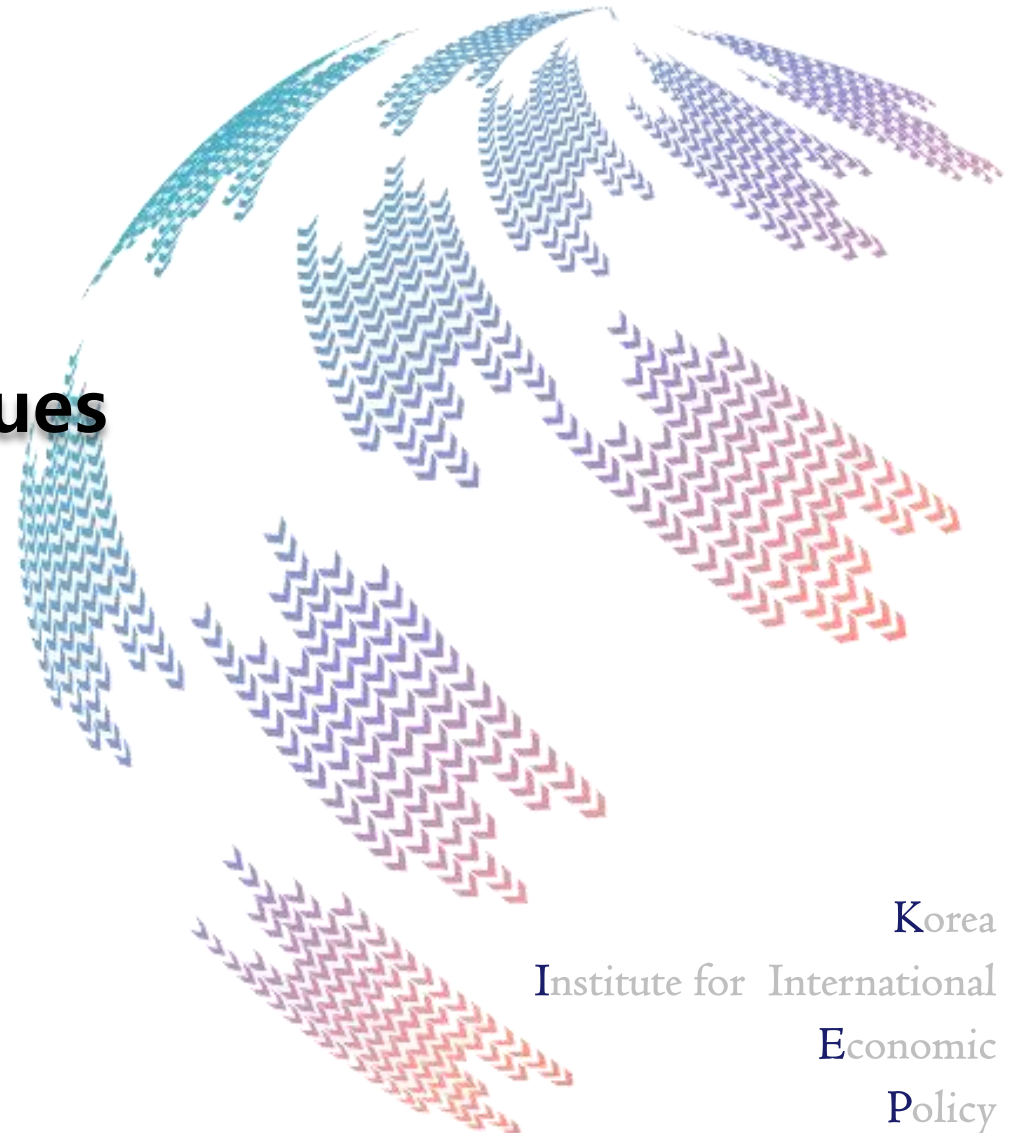
Surmounting Global Challenges, Creative Response

Accession to the WTO

: Accession Process and General Issues

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1. General features: WTO accessions

2. How to become a member of the WTO

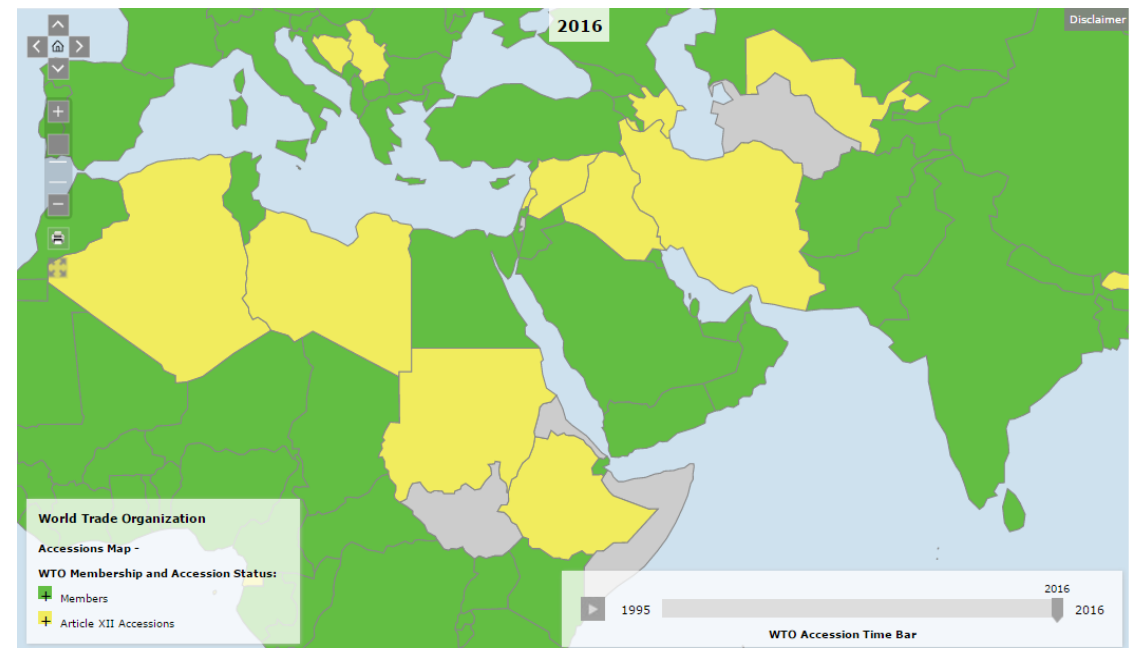
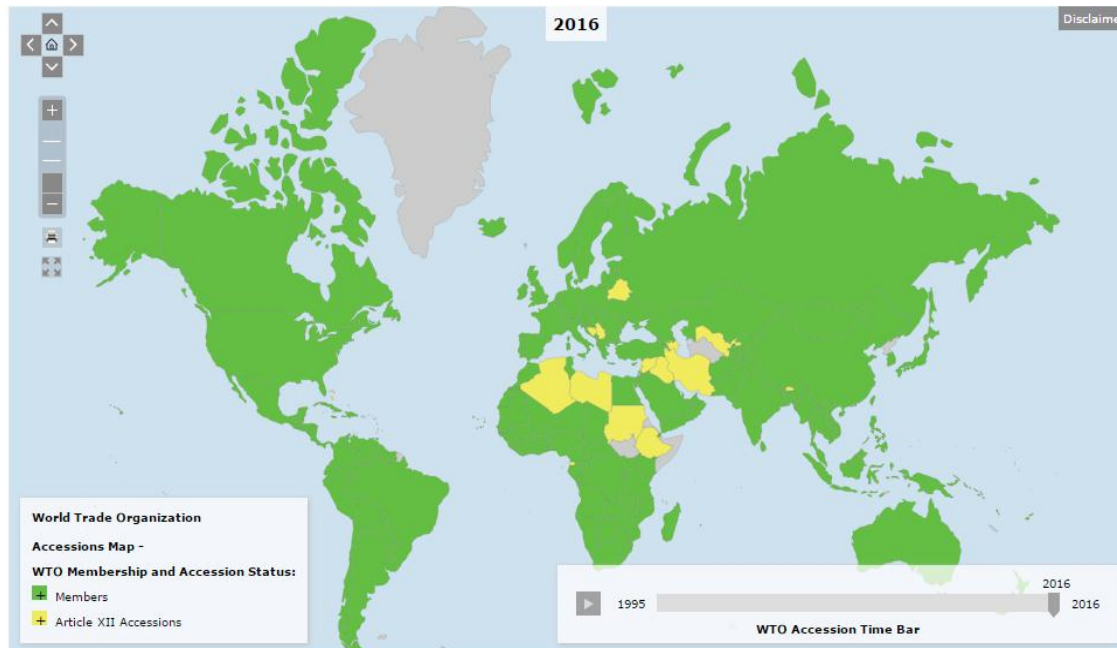
1.1 WTO accessions map

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✓ Members and Observers

- . 164 members since July 29 2016, with dates of WTO membership
- . It contains the 128 GATT signatories as at the end of 1994
- . 22 observers, including Iran.

WTO members map (Dec. 10, 2016)



1.2 Current status of WTO accessions

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Acceding economy	Date of Application	Working Party Established in	Memorandum on the Foreign Trade Regime (MFTR) circulated in	1st Working Party meeting held in	Initial market access offer on goods circulated in	Initial market access offer on services circulated in	Factual Summary of Point Raised circulated	Review of foreign trade regime ongoing on basis of a Draft Report of the Working Party
Sudan	11/1994	10/1994	01/1999	07/2003	07/2004	06/2004	✓	–
Uzbekistan	12/1994	12/1994	10/1998	07/2002	09/2005	09/2005	–	–
Algeria	01/1995	06/1987	07/1996	04/1998	03/2002	03/2002	–	✓
Belarus	01/1995	10/1993	01/1996	12/1997	03/1998	02/2000	✓	–
Iran	09/1996	05/2005	11/2009	–	–	–	–	–
Azerbaijan	06/1997	07/1997	04/1999	06/2002	05/2005	05/2005	✓	✓
Andorra	07/1997	10/1997	03/1999	10/1999	09/1999	09/1999	–	–
Lebanese Republic	02/1999	04/1999	06/2001	10/2002	11/2003	12/2003	✓	✓
Bosnia & Herzegovina	05/1999	07/1999	10/2002	11/2003	10/2004	10/2004	–	✓
Bhutan	09/1999	10/1999	02/2003	11/2004	08/2005	08/2005	✓	✓
Bahamas	05/2001	07/2001	04/2009	09/2010	03/2012	03/2012	–	–
Syrian Arab Republic	10/2001	05/2010	–	–	–	–	–	–
Libya	12/2001	07/2004	–	–	–	–	–	–
Ethiopia	01/2003	02/2002	01/2007	05/2008	02/2012	–	✓	–
Iraq	09/2004	12/2004	09/2005	04/2007	–	–	–	–
Serbia	12/2004	02/2005	03/2005	10/2005	04/2006	10/2006	–	✓
Sao Tome and Principe	02/2005	05/2005	–	–	–	–	–	–
Comoros	02/2007	10/2007	10/2013	–	–	–	–	–
Equatorial Guinea	02/2007	02/2008	–	–	–	–	–	–

Source: WTO

1.3 WTO accession process at a glance

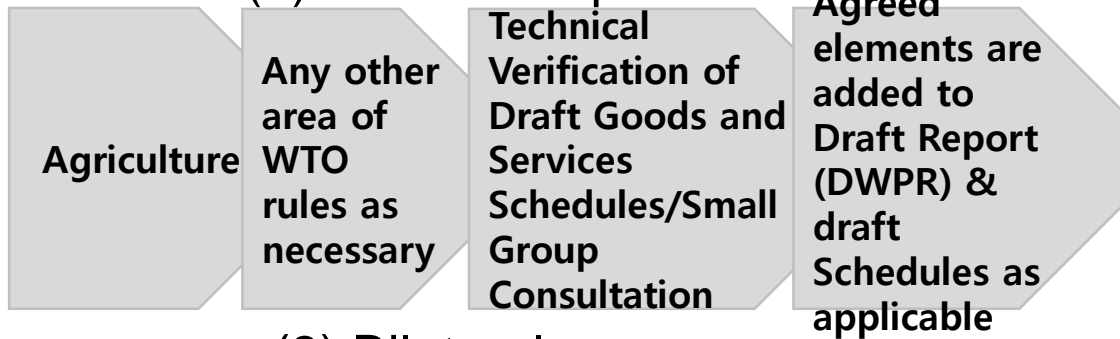
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✓ WTO accession process at a glance

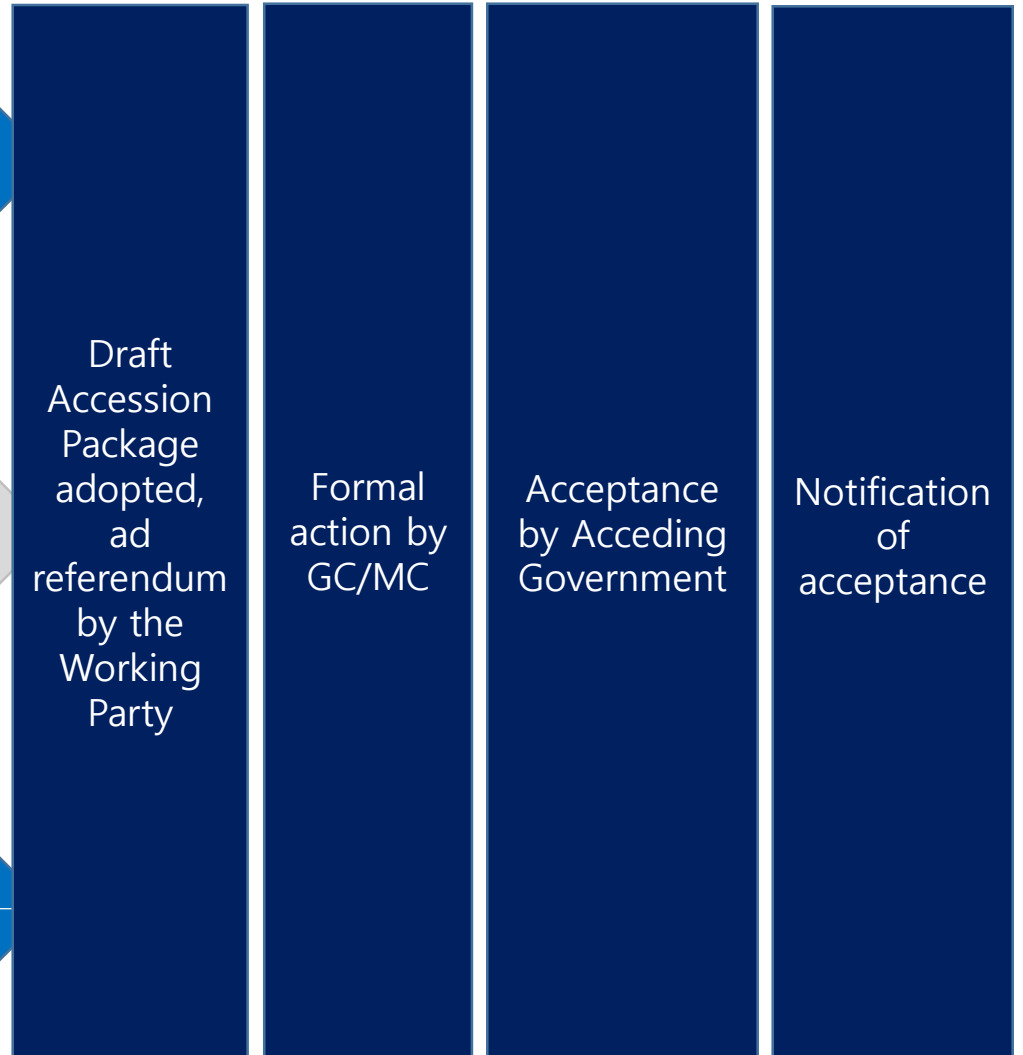
(1) Multilateral process



(2) Plurilateral process



(3) Bilateral process



1.4 The Basic principles of the WTO

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- ✓ **Non -discriminations**

- . The Most-Favored Nation Treatment (MFN) principle
- . The National Treatment (NT) principle

- ✓ **More open and predictable trade**

- The progressive reduction and binding of tariffs
- The reduction of other barriers to trade
- The general elimination of quantitative restrictions (QR)

- ✓ **Transparency**

- Legal Basis
- Surveillance of national trade policies through the TPRM

- ✓ **Special treatment for less developed Members – development dimension**

- Special and differential treatment (S&D)

1. General features: WTO accessions

2. How to become a member of the WTO

2.1 What is the accession process?

✓ Article XII of the Marrakesh Agreement

1. Any State or **separate customs territory** possessing full autonomy in the conduct of its external commercial relations and 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.
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.

2.2 Getting ready for the journey

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- ✓ **The preparation for a negotiation**
 - 1. Build political supports**
 - 2. Put in place a stable negotiating team**
 - 3. Have a negotiating strategy**
 - 4. Know your rights and obligations**
 - 5. Learn from others**

2.3 Step 1: Request for accession (1)

✓ **Request for accession**

A government wishing to become a WTO Member should send a letter to the Director General of the WTO expressing its wish to join the Organization

The letter can be simple as :

I have the honor to inform you of the wish of my government to accede to the Agreement establishing the WTO and to the multilateral trade agreements annexed thereto, in accordance with Article XII of the said Agreement

✓ **Circulation of the request**

The letter is then circulated to all WTO Members as an official document.

✓ **Transmission to the General Council**

The letter is transmitted to the Chairman of the General Council for consideration at a future General Council meeting

2.3 Step 1: Request for accession (2)

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- ✓ **Establishment of the Working Party**

Once the General Council considers the request for accession, and finds it acceptable it establishes a Working Party to examine the application further.

- ✓ **The Working Party (WP)**

Terms of Reference

Chair of the Working Party

Membership of the Working Party

2. Step 2: The Accession negotiations

✓ **Multilateral negotiations**

- negotiations on WTO rules and disciplines
- cover all WTO Agreements in accordance with the Single Undertaking principle

They aim at understanding the applicant's foreign trade regime and at ensuring the conformity of the applicant's laws and practices with WTO rules and disciplines

✓ **Bilateral negotiations**

- negotiations on conditions of access to the applicant's market for goods and services
- a one-to-one basis between interested Members and the acceding government.

✓ **Plurilateral negotiations**

- To facilitate agreement at the WP level, certain issues of multilateral and systemic interest are discussed plurilaterally, i.e. in informal consultations with a number of interested Members.

2.3 Step 2: Multilateral negotiations (1)

✓ **The fact-finding phase**

- the first phase of the multilateral negotiations
- During this phase, the applicant is requested to submit a number of documents to explain how its foreign trade regime works.

A. **Submission of the Memorandum** : Format of the memorandum
Submission of copies of legislation

B. Circulation of the Memorandum

C. First set of Questions and Replies

D. First Working Party Meeting

※ Documents to be submitted

- A legislative action plan
- If appropriate, action plans for the implementation of specific agreements (typically for SPS, TBT, IP, and CV)
- Information on DS and EP in agriculture (WT/ACC/4) and services (WT/ACC/5)
- A checklist on SPS, TBT, and TRIPS
- A draft notification on industrial subsidies, State trading entities

2.3 Step 2: Multilateral negotiations (2)

✓ **The negotiating phase**

- A. Further Questions and Replies
- B. Further Working Party meetings
- C. Preparation of Factual Summary
- D. Draft Report

✓ **The draft report**

- The draft report is a key document of the accession package. Its structure is identical to that of the Factual Summary
 - A. Commitment Paragraphs
 - contain the terms of entry of an acceding government.
 - B. Draft Decision
 - C. Draft Protocol of Accession
 - sets out the terms on which the applicant will be invited to accede
 - incorporates the main commitment paragraphs of the Working Party Report.

2.3 Step 2: Bilateral negotiations

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✓ **Bilateral Contacts**

Acceding governments are advised to hold initial bilateral contacts with interested Members on the fringes of the first Working Party meeting

✓ **Submission of Initial Offers**

A. Bilateral negotiations commence after the acceding government has submitted initial offers on goods and services

✓ **Revision of Offers**

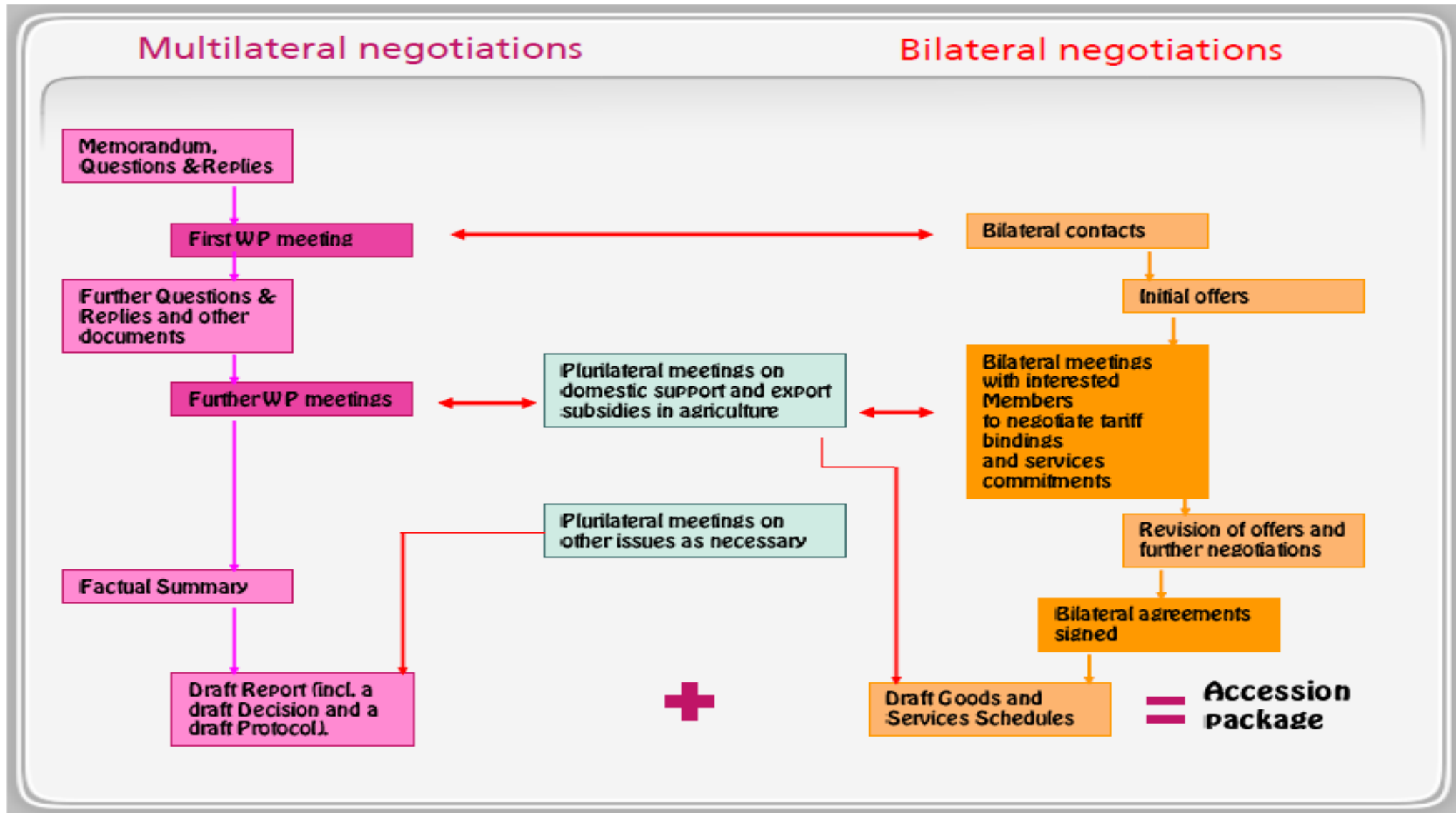
After each round of negotiations, the acceding government is invited to revise its offers, taking into account the requests formulated by Members.

✓ **Bilateral Agreement**

✓ **Draft Goods and Services Schedules**

The Secretariat consolidates all bilateral agreements into Draft Goods and Services Schedules.

2.3 Summary of Step 2



2.4 Technical Assistance and Training

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- ✓ **The WTO Secretariat**
 - Accession-related Technical Assistance
 - Participation in WTO Technical Assistance activities
 - Multi-agency programs

- ✓ **Other International Organizations**
 - UNCTAD, IMF, WB, WCO, WIPO

- ✓ **WTO members**

2.5 Invocation of Article XIII

✓ **Invocation of Article XIII**

- A WTO members may choose to invoke Article XIII of the Marrakech Agreement before adoption of the accession package by GC/MC in order not to be bound by the WTO rules vis a vis the new Member

✓ **Article XIII**

- the WTO Agreement and the multilateral Agreements annexed to it “**shall not apply as between any member and any other member** if either of the members, at the time either becomes a Member, does not consent to such application.”

2.6 Final Step

- ✓ **Adoption of the Accession Package by the Working Party**
- ✓ **Transmission to the General Council**
 - The Accession package is forwarded to the GC/MC for adoption
 - Acceding governments are required to pay an annual observer fee.
- ✓ **General Council's Approval**
- ✓ **Signatory Ceremony**
- ✓ **Acceptance of the Protocol of Accession**
- ✓ **Membership**

2.7 A Long and Demanding Process

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- ✓ **The Internal Political Situation**

- ✓ **Coordination at the National Level**

Insufficient coordination at the national level can slow down progress in the negotiations.

- ✓ **Technical Capacity and Scope of Reform**

A large number of technical documents on specific issues have to be prepared during the accession process. The compilation of data and their analysis requires time and expertise.

Thank you for your attention!

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