



**UNECE/WTO Trade Policy Forum
on Central Asia and MTS
Ashgabat, Turkmenistan
11-13 May 2016**

***Accessions to the Rules-Based
Multilateral Trading System:
Opportunities and Challenges
for Central Asia***

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Overview

- ▶ State of the Global Economy and Necessity for Structural Reforms
- ▶ WTO Accessions:
 - Why do countries want to join?
- ▶ 20 years of accession results
- ▶ State of Play in WTO Accessions in Central Asia
- ▶ Opportunities and Challenges



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WTO Accessions



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Why do countries want to join the WTO?

- Rule of Law – The WTO as a legal framework
 - ✓ “Outlaw”
- Market Economy – Assisting market transition
- Domestic Reforms – An instrument for domestic reform and modernisation
- FDI Attraction
- International Cooperation: A seat at the rule-making table
- Risk of Non-Membership: Protectionist targeting
- Territorial Integrity
- Right of DSU Invocation



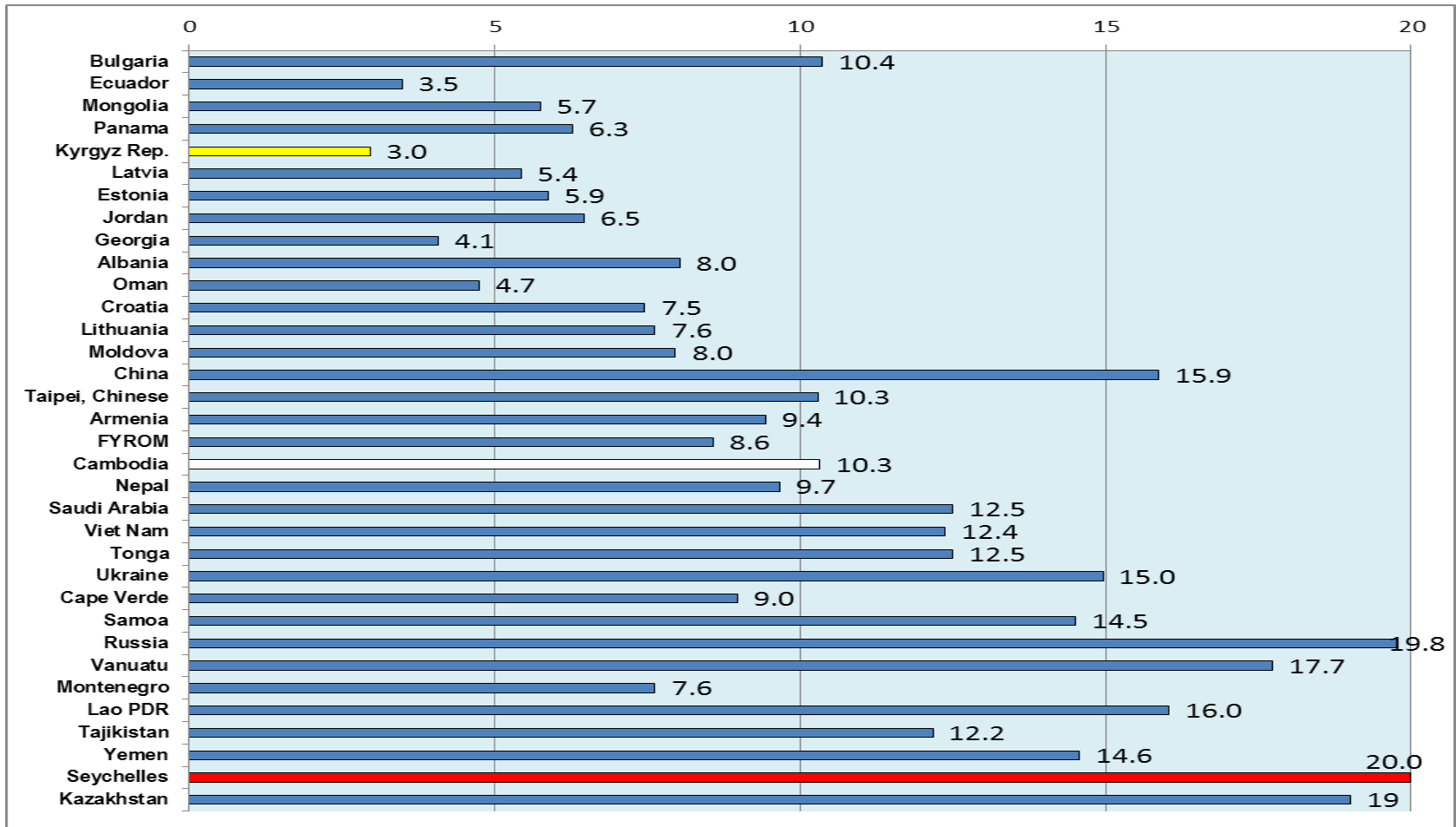
Overview of WTO Accessions

34 Governments acceded since 1995 via Article XII Negotiations, of which **11 from former USSR**

- Albania
- **Armenia**
- Bulgaria
- Cambodia*
- Cape Verde
- China
- Chinese Taipei
- Croatia
- Ecuador
- **Estonia**
- Georgia
- Jordan
- **Kazakhstan**
- **Kyrgyz Republic**
- Lao PDR*
- Latvia
- **Lithuania**
- Macedonia, FYR
- Mongolia
- Montenegro
- **Moldova**
- Nepal*
- Oman
- Panama
- **Russian Federation**
- Samoa*
- Saudi Arabia
- **Tajikistan**
- Tonga*
- **Ukraine**
- Vanuatu*
- Viet Nam
- Yemen*
- Seychelles

Afghanistan and Liberia are expected to become WTO members in June

Length of Accessions



Source: WTO Secretariat

Average: 10 years and 5 months

20 Years of Accessions Results

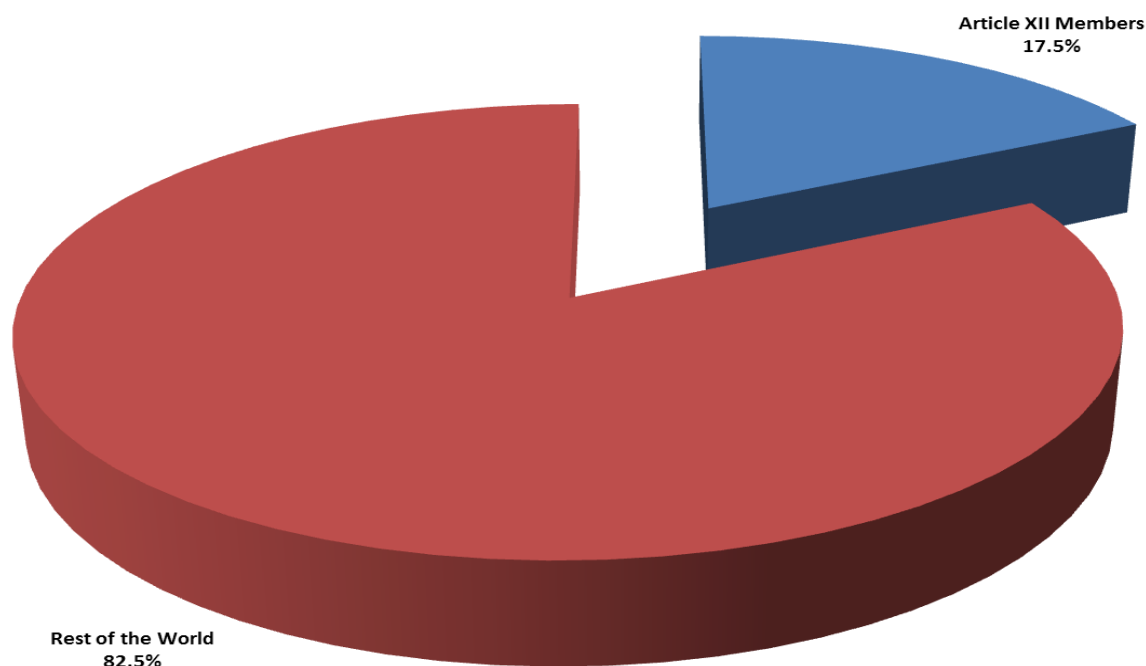
- ▶ **34** Governments have acceded via Article XII Negotiations
 - 7 acceded as LDCs (Cabo Verde and Samoa graduated afterwards);
plus,
- ▶ **2** LDCs – Afghanistan and Liberia – are in process of domestic ratification.

- ▶ “Article XII Members” are 21% of WTO Membership
- ▶ Average length: 9 years and 11 months
- ▶ 1547 accession-specific legal obligations (including AFG and LBR).
- ▶ Real market access expansion in goods and services:
 - 549 bilateral agreements on goods (including AFG and LBR); and
 - 269 bilateral agreements on services (including AFG and LBR).

Accession Results

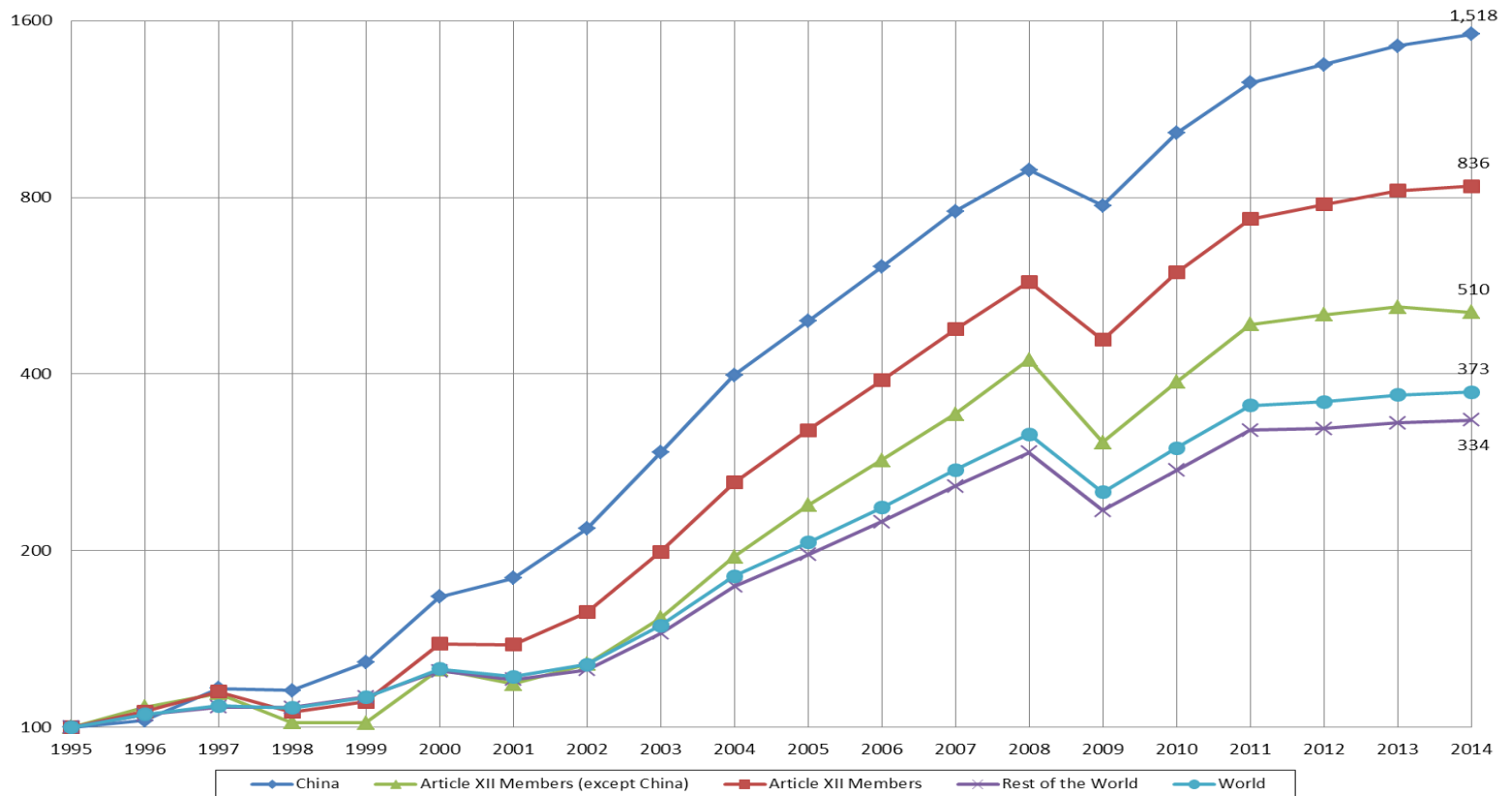
Coverage: 98% of World Trade

2014



Accession Results: Trade Performance

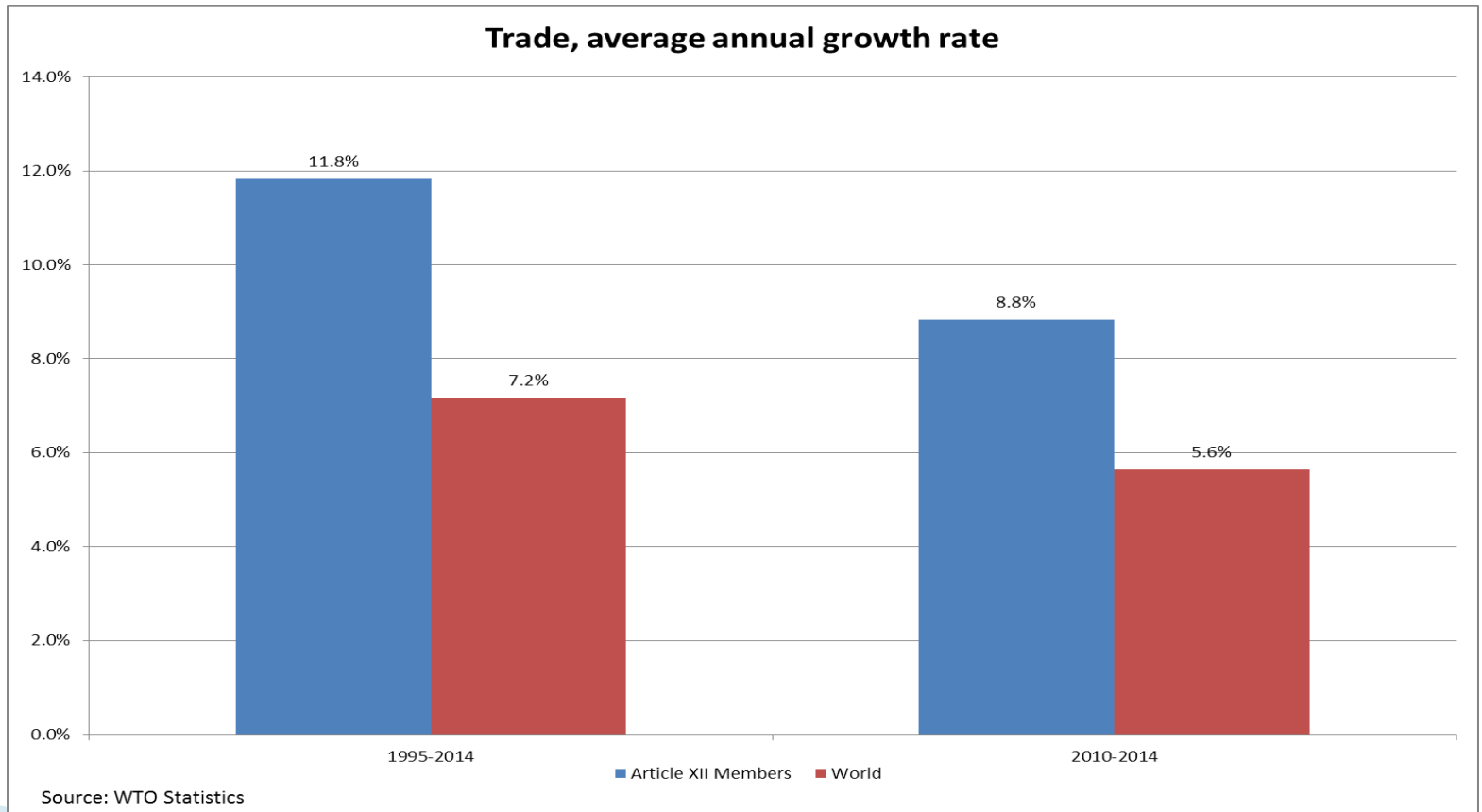
Evolution of World Trade in nominal value by membership status





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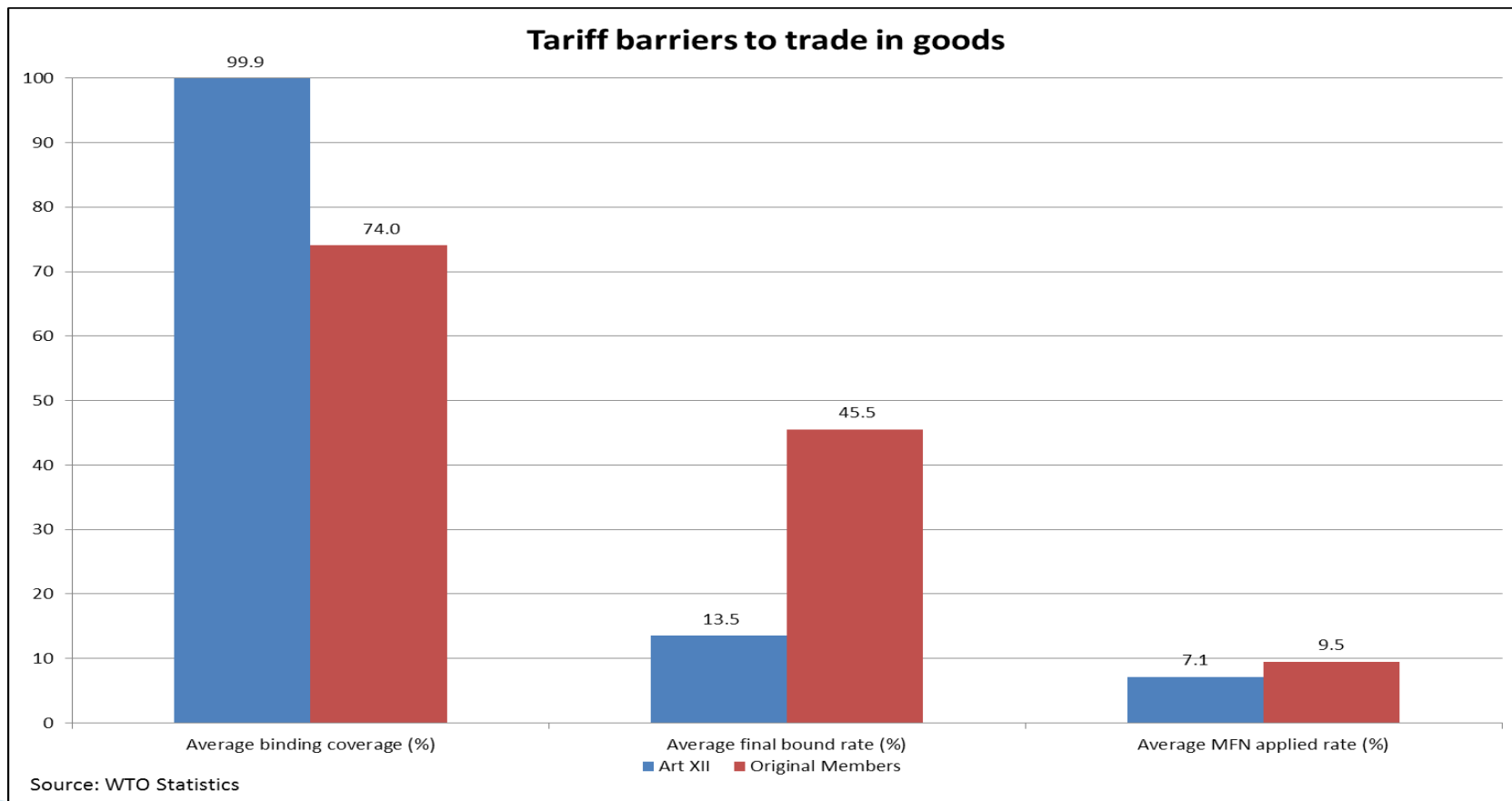
Accession Results: Trade Growth





Accession Results: Tariff Profiles

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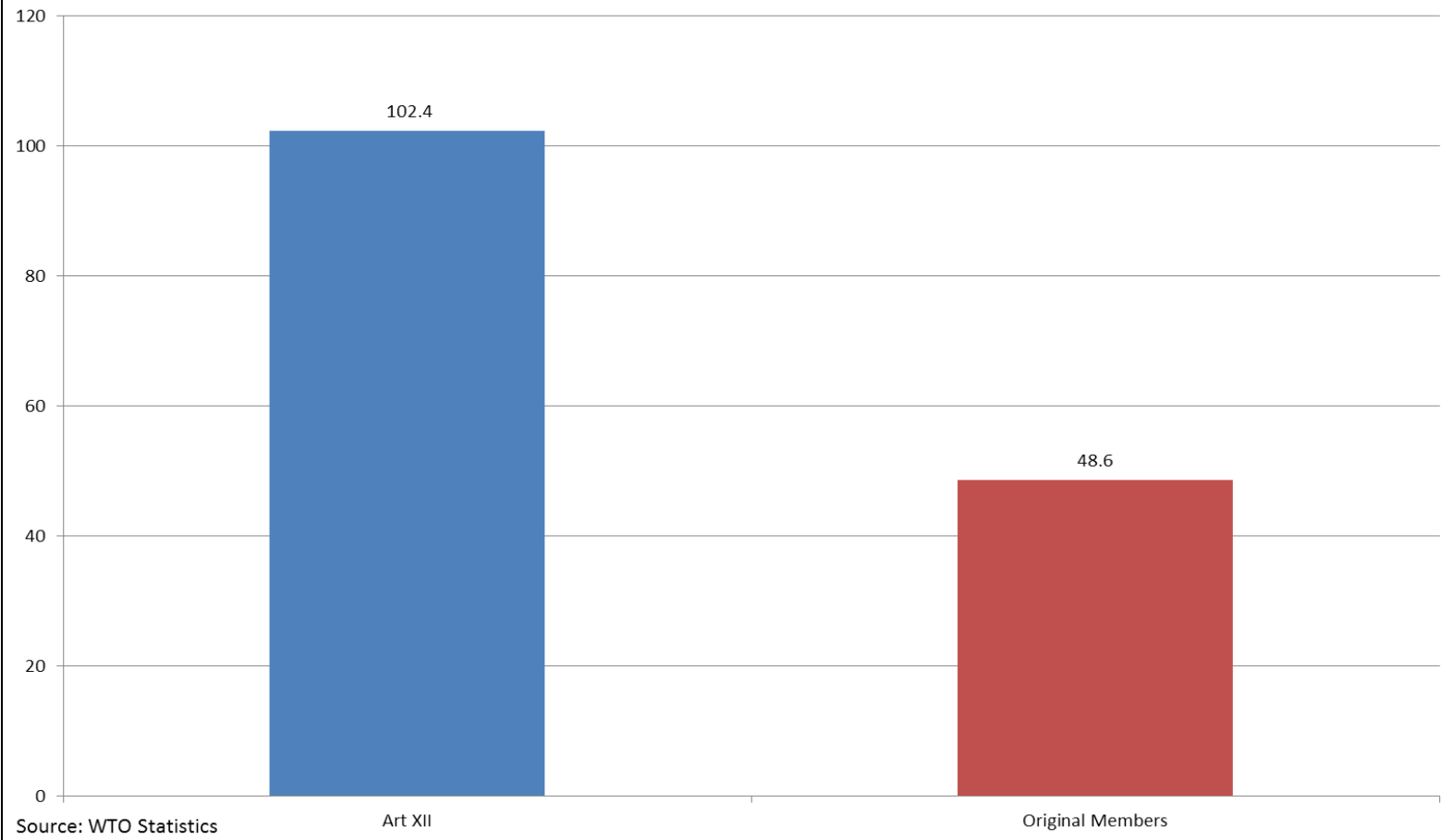




Accession Results: Services Commitments

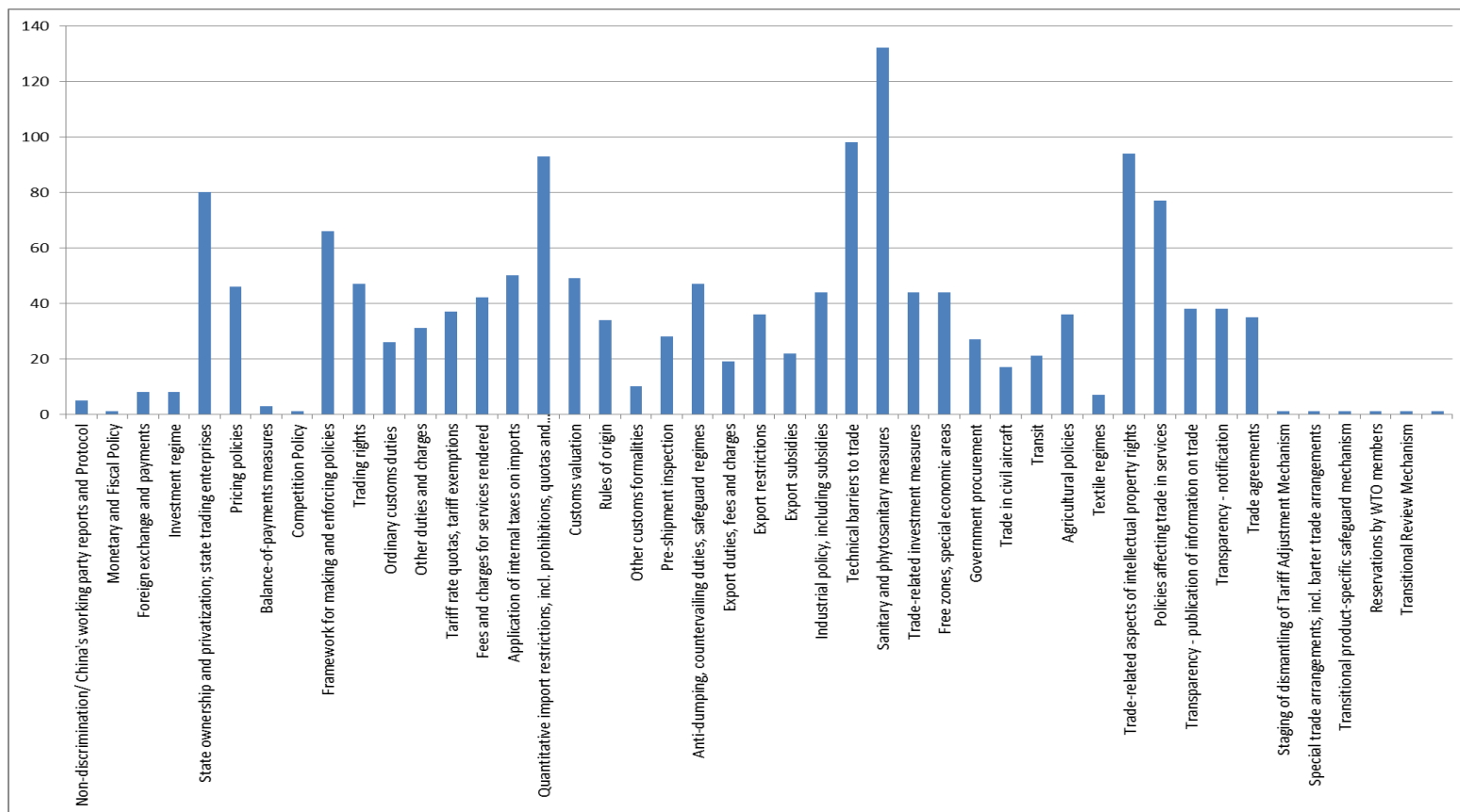
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Average number of services subsectors covered by commitments



Accession Results: Strengthening Rules of MTS

36 Sections of Accession-Specific Obligations: Number of commitments of 34 Article XII Members





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WTO Accessions: State of Play in Central Asia and its Neighbours

Map of WTO Members and Observers





What Remains in WTO Accessions?

19 Accession Working Parties in process

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

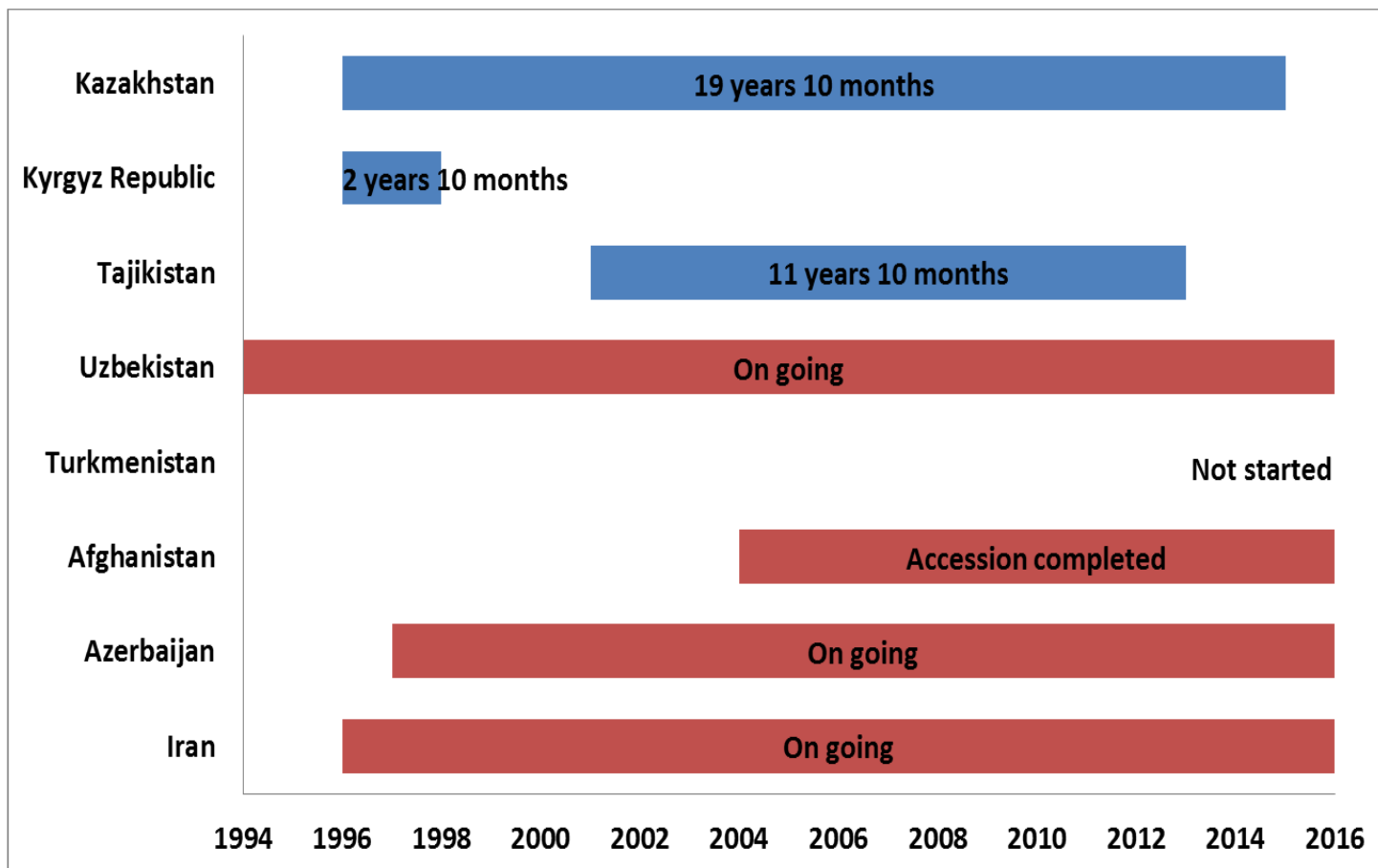
Average time since application: 16.5 years

PLUS: Expression of interest: South Sudan, Somalia, Timor-Leste



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WTO Accessions in Central Asia & its Neighbours



Azerbaijan (Mid-stage)



- ▶ Application & WP establishment: 1997
- ▶ WP Chairperson: H.E. Mr. Walter Werner (Germany)
- ▶ MFTR circulated in 1999
- ▶ 12 WP Meetings (last one in March 2015)
- ▶ State of Play:
 - Chair: “We have to move beyond routine to conclude Azerbaijan’s accession negotiations”, while commending Azerbaijan for the steps taken to bring its trade regime in compliance with WTO rules.
 - Next WP in Summer 2016?

Iran (Reactivation)

- ▶ Year of Application: 1996
- ▶ WP establishment: 2005
- ▶ MFTR circulated in 2009
- ▶ WP Chairperson pending
- ▶ State of Play
 - General Council Chairman consulting on the appointment of WP Chairman
 - Iran Delegation consulting with WTO Members

Uzbekistan (Inactive)

- ▶ Application and WP establishment: 1994
- ▶ WP Chair: H.E. Mr. Suk-young Choi (Korea)
- ▶ MFTR circulated in 1998
- ▶ 3 WP meetings (last in 2005).
- ▶ State of Play:
- ▶ Since 2005, virtually no substantive engagement from Tashkent

WTO Accessions: Opportunities and Challenges

- ▶ Strategic importance of the Region
- ▶ Role of the WTO
 - WTO accession for structural reforms, economic diversification and modernization
 - Trade integration in the region
 - Trade facilitation
 - Connectivity
- ▶ Challenges
 - The state of global economy
 - Commodity prices
 - Geopolitical tensions

Thank you

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