

**Statement by H.E Dr. Bekele Bulalo, Minister of Trade of the FDRE**  
**at Session 2 of the Regional Dialogue on WTO Accession Targeted for the**  
**Greater Horn Africa**

**Good morning!**

First of all, let me express my appreciation and thanks to the Government of Kenya, the School of Economics of the University of Nairobi and the World Trade Organisation (WTO) Secretariat for sponsoring and connecting us to have the Regional Dialogue on WTO accession targeted for the Greater Horn of Africa which I believe it is timely and very relevant.

Let me also take the opportunity to congratulate the Government and people of Kenya for having the successful Presidential election and for a disciplined approach to resolve the complaints.

I would like also to thank and appreciate for the warm welcome and excellent hospitality extended for us starting from the arrival points. It also gives me a great pleasure to be here in this beautiful City of Nairobi to share the Ethiopian experience to the Greater Horn of Africa on what has been done and what remains to be done in the process of accession to the WTO.

The World Trade Organisation plays a crucial role in promoting a healthy global trade. The structure of it enables a range of trade facilitation measures, among its members in areas such as trade rules (opening markets, lowering tariffs and trade barriers), dispute resolution and a framework for governments to negotiate trade agreements. These measures have enabled great progress in global trading platforms for many decades because they have created a sound legal ground for international trade to flow as freely as possible which is a key for economic development and prosperity. These rules are transparent, predictable and enforceable so that governments, companies and individuals know what to expect when they do business on the international stage.

So, what does all these mean for Ethiopia? As an emerging economy in a dynamic region, it is vital that Ethiopia should be part of this international trading system and be well prepared to face the challenges of this inter-connected trading system of the

world order. Ethiopia is clear that the healthy global trading system is vital to economic and social development and it has been working to make it happen. This leads us to the topic of our discussion, WTO accession.

To start with what has been done, let me reiterate how the WTO negotiations work. There are two tracks of the WTO negotiations: the first one is legal reforms to ensure conformity with WTO rules, which are negotiated multilaterally through the WP process; and the other one market access commitments, which take place bilaterally. Therefore, in multilateral stage, pursuant to Article XII, Ethiopia's actual accession process was started in December 2006 by submitting its Memorandum of Foreign Trade Regime (MFTR) to kick off the process.

Following the submission of the MFTR, we did receive four rounds of questions from Member States and hold three rounds of Working Party Meetings, in May 2008, May 2011 and March 2012, respectively. During this process, several accession documents including, Initial Goods Offer were circulated to Members through the Secretariat together with the replies to the three rounds of questions in advancing the negotiation.

In the process, we learnt that the global trend shows there is an increasing tendency between trade and development. Faster growth is associated with more open and liberal trade. Moreover, we have witnessed that trade has had created the opportunity for many developing countries to benefit from the global system and the expansion of global value chains. This integration into the world market through global value chains made WTO's work more important than ever.

The WTO has underpinned this progress by providing certainty, thereby creating the predictable environment that allowed economic activities to flourish. It has been observed that WTO's rules, disciplines and flexibilities if properly and effectively implemented will enable countries to participate fully in the global economy to benefit from trade in improving the countries development and the lives and prospects of their people by reducing poverty. The Government of Ethiopia has had a firm belief that trade enhances development. [It equally believes that to make trade work for more and effective development, it should be further backed by and linked with](#)

progress on the supply side. At this juncture, I would like to emphasize that without sufficient supply, effective infrastructure to facilitate the movement of goods and coordinated institutional arrangements, ensuring market access by itself will not be a remedy for trade to bring the envisioned development.

As in most developing countries, in Ethiopia the agricultural sector plays the important role in terms of production, consumption, export and employment. The country's export is heavily dependent on primary commodities which are heavily affected by price volatility. For countries like Ethiopia that depend on primary commodity export, the trade to play its intended developmental role, the need for structural transformation comes into forefront.

Therefore, the government's ongoing policy initiatives in making structural reform aims at increasing export, focusing on manufacturing and value-added agro-processing activities which are witnessed notably with the creation of industrial parks that are well connected with well-designed infrastructure. Our industrial park initiative is designed to integrate more with value chains to generate all forms of potentials of positive spill-overs into the wider economy. We believe this will enhance the structural reforms by providing investors with simplified procedures, tax advantages, and other incentive packages.

To this effect, as part of the structural transformation, we are working hard in reducing all forms of trade barriers through different initiatives, including ease of Doing Business Initiative, to enhance customs procedures and facilitate trade to play its role beyond the industrial parks. We believe that such internal reforms will facilitate our accession process to be effective and the gain after accession to be optimum.

With regards to Ethiopia's accession process, though it seems motionless for quite some time since the third WP meeting, accession to the WTO has been always a priority concern and the Government has been in the process of taking necessary measures to make internal situations compatible to the WTO Agreements. It is indeed an African culture of course, to make the house in order before inviting the guest to the house that may require some time obviously. In other words, measures

necessary to make the house in order require some time. Ms. Maika OSHIKAWA, during her trip back from Khartoum in April has made a stopover in Addis and witnessed our preparedness at all levels to reinstate the process, including revising an existing WTO Accession Negotiation structure and working system and getting it approved by the Council of Ministers.

We know accession process is complex and costly but there is a full political commitment from the Government side to finish the crossing line as early as possible.

Currently, we are getting prepared for the fourth WP Meeting. The replies to the fourth rounds of questions and other relevant technical documents for the negotiation that will take us to a significant step forward in the process are ready for submission. The Government of Ethiopia is serious about acceding to the WTO, and committed to work diligently through the detailed steps that this process entails. In our view, what is important is not the mere accession, rather it is making the [necessary internal reforms](#) to make it compatible to the [multilateral agreements and implementation after a while that matters for a long-term gain from the accession](#). Though we know that there will be challenges along the way, we are confident that the reforms embarked to date and more reforms underway, we believe would put us on a positive track to come into compliance with the requisite of the WTO obligations that we are supposed to take.

In addition to where we are in the process, allow me to say few words how we feel regarding LDCs accession so far to address the external issues on the way. As you all know, 30 LDCs are original WTO members. Accession package of 9 LDCs have been approved among 36 countries since the establishment of the WTO. But there are still a significant number of LDCs out of the system of which 8 are in the accession process with other 13 developing countries in the queue. At this juncture, it will be worth mentioning the introduction of the 2002 LDCs Accession Guideline and the 2012 General Council Decision to further strengthen, streamline and operationalize the Guideline.

Having regard; to the remarkable solidarity and keen support of Member States in facilitating the LDCs accession so far and the setting of the Guideline to speed up

LDCs accession, we still observe challenges in fully implementing the sprits of the Guideline. Moreover, the increasing appetite and demand for a wider market access from the side of the member states combined with other constraints associated with limitations of development; human, institutional, infrastructural & regulatory capacities from the side of LDCs are worsening the challenges of the accession process.

What I wanted to stress here is, the sprits of the Guideline. The whole objectives of the Guideline were to urge Members to exercise restraint in seeking market access concessions and commitments from acceding LDCs that are beyond their levels of development and other capacities.

However, from the commitments countries took, we feel that demands for more market access are still excessive and some commitment terms are beyond the levels of development and ability of LDCs to meet the obligations in tandem with the developmental ambitions and needs on balanced terms after accession. Of course, we commend the recent practice of 'fast tracking' exercised on the accession of Liberia and Afghanistan will continue to Sudan and Comoros who are advancing in their process.

In conclusion, with the principles of universalizing the multilateral trading system in a balanced term consistent with the level of development, ambition and developmental needs of LDCs, we believe that the WTO Members to;

- i. fully implement the Guideline that sets a benchmark for goods and services' commitments by disciplining the Guideline as part of Special and Deferential Treatment (S&DT) of the LDCs accession,
- ii. restraint from seeking market access concessions and commitments on trade in services from acceding LDCs that they are not ready to make concession or take commitment because of their level of development, capacities and developmental ambition;
- iii. continue exercising the "fast-track" accession procedure recently practiced by disciplining the Guideline as a Special & Deferential Treatment of LDCs

accession with the principle of not to leave anyone behind in benefiting from the global trading system, and,

- iv. recognize a longer transition period that is balanced with levels of development and with human, institutional, infrastructural and regulatory capacities of the LDCs.

**Thank you for listening.**

