



WTO TWENTIETH ANNIVERSARY ACCESSIONS PROGRAMME

SECOND GLOBAL SEMINAR ON WTO ACCESSIONS
SAUDI ARABIA 10-YEAR WTO ACCESSION SPECIAL ANNIVERSARY SESSION
ACCESSIONS BOOK LAUNCH BY WTO DIRECTOR-GENERAL ROBERTO AZEVÊDO

Statement by H.E. Dr. Tawfig Al Rabiah, Minister of Commerce and Industry, Saudi Arabia

*Saudi Arabia Special Anniversary Session: 10 Years of WTO Membership:
Looking back and Looking Ahead*

Geneva, Tuesday, 29 September 2015, 11:00 – 11:10 - Room D

Your Excellencies, Ladies and Gentlemen,

1. On behalf of the Kingdom of Saudi Arabia, I would like to thank you for attending this event commemorating ten years of Saudi membership in the World Trade Organization. Saudi Arabia acceded to the WTO in 2005, 10 years after the organization had been established in 1995. Thus, today, the 10-year anniversary of Saudi Arabia's accession coincides with the 20-year anniversary of the WTO establishment. The significance of this timing must not be overlooked, because – as you all well know – we are at a crossroads for the multilateral trading system.

2. The WTO's 20th anniversary and Saudi Arabia's 10th anniversary of WTO membership provide a useful point of departure for a discussion on the future of our system of rules-based international trade.

3. In my remarks today, I would like to take a cue from the title of this seminar and spend some time "looking back and looking ahead." Much progress has occurred over the past 20 years of the WTO's existence and since Saudi Arabia's accession 10 years ago, and yet much work remains to be done.

4. The 20th anniversary of the WTO is an opportunity to reflect, look back on the WTO's history and take stock of its enduring achievements. It is also an opportunity to spotlight where the WTO – and the international trade community as a whole – needs to redouble its efforts to meet current and future challenges and to fulfill main objectives of ensuring stability and prosperity of the global economy, boosting trade growth, resolving numerous trade disputes and supporting developing and least developed countries to integrate into the multilateral trading system.



5. On this important occasion, I say "now or never"– we must take ambitious steps to propel the WTO toward the next 20 years of progress in free and fair international trade in the only truly global, rules-based economic system.

6. Before the Kingdom joined the WTO as a Member in December of 2005, we had undertaken 12 long years of accession negotiations. After having lodged an application to join the GATT in 1993, the Saudi team in Riyadh and Geneva in conjunction with an interagency task force led Saudi Arabia through negotiations and to accession to this Organization.

7. The Kingdom gained much from the accession experience. The negotiations taught us how to work within the WTO and with WTO Members and provided a basis for our work in the WTO since accession. The Saudi negotiating team brought together a wealth of expertise on trade and economic issues in the Kingdom and was skilled at representing Saudi interests.

8. I must also draw the attention to the political will of the Saudi leadership to integrate our economy in the multilateral trading system which was strong and clear to make our accession possible and to overcome many obstacles. In addition, the political weight and diplomatic efforts employed by the Saudi leadership have smoothed the process of negotiations with different trading partners and overcame the burdensome obstacles in the negotiations. Saudi Arabia focused on protecting its comparative advantage in upstream energy exports and seeking ways to capitalize on access to the international trade regime to develop additional industries, while committing to maintain historically open services trade.

9. WTO membership did not only help solving some short-term trade difficulties but also provided long-term benefits to the Saudi economy. Saudi Arabia's experience supports the conclusion that participation in the rules-based trading system of the WTO can support economic performance. Since our accession at the end of 2005, a number of institutional, policy and legislative changes and reforms were introduced. The aim of these changes was to prepare Saudi Arabia to enter into the global market and open its market for foreign investors. The Saudi economy benefitted from the WTO membership in many ways. It helped economic growth, created new job and improved quality of life of the people by giving them better quality of goods and services in a competitive market.

10. Regarding macroeconomic indicators, World Bank data shows that gross domestic product, gross national income and exports of goods and services had been on a positive trend during our WTO accession process but, importantly, that the trend accelerated from 2005 to the present, despite some impact from the global financial crisis during this time frame.



11. Since acceding to the WTO, a large number of economic and trade measures have been undertaken such as the removal of trade barriers; the reduction of import tariffs; the enforcement of the intellectual property rights; the development of business and investment environment and guaranteeing 'predictable and growing access' to the Kingdom's market. Thus, Saudi Arabia's adoption of WTO rules has supported our overall competitiveness.

12. This increase in economic performance and adherence to multilateral trade rules has increased the Kingdom's attractiveness as an investment destination. In fact, the surge in post-accession economic activity has increased our overall stock of foreign direct investment by more than eight times from 2005 levels.

13. While we have built on our strengths, including our vast natural resource reserves, we have also taken the opportunity to diversify our economy and our exports away from energy and toward higher value-added, downstream products. Further industrial diversification is supported by our focus on five Industrial Clusters: Minerals and Metal Processing; Automotive; Solar Energy; Plastics and Packaging; and Pharmaceuticals. We have quadrupled our exports of non-oil products from 50 billion Saudi Riyals in 2002 before our WTO accession to over 218 billion in 2014. Of course, WTO rules provide a high level of security and predictability for most of these growing exports.

14. In recognition of the future of international trade becoming more and more based on providing services, we aim to develop services sectors based on our needs and comparative advantages. Saudi companies are already leading the way in exporting energy-related services, construction services and media services. Saudi tourism and travel services continue to grow as consumers from around the world come to Saudi Arabia.

15. The Kingdom also recognizes – as many WTO Members have – that regional (or even bilateral) integration is a fertile ground for progress in trade negotiations. We have thus continued to work within the framework of the GCC to enhance regional trade and to consider free trade agreements between the GCC as a bloc and other important trading partners.

16. In conclusion, the Kingdom of Saudi Arabia is a firm believer in the multilateral trade regime of the WTO. We support negotiations and integration, first and foremost, at the multilateral level. The DDA must be concluded soon in order to allow the system to engage in a new agenda for international cooperation that addresses the challenges facing modern economies.



17. Therefore, we would like to commemorate the establishment of the WTO 20 years ago and our own accession to this important organization 10 years ago. We remain committed to making progress in WTO negotiations and to working to advance our mutual interest in the continuous improvement of the multilateral trading system.

18. Thank you for your attention.
