

WTO Accession and AfCFTA – Synergies on Market Access (Goods and Services)

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Introduction

Non-discriminatory treatment (MFN) is a bedrock of Multilateralism

However, exceptions for RTAs/ Customs unions are provided in the GATT

Article XXIV, Article V of GATS and the Enabling Clause

These exceptions have been exploited by a number of countries to build strong regional trade blocs

It has given rise to the debate whether RTAs are stumbling blocs or building blocs of multilateral trading system

Ethiopia is currently negotiating a number of global and regional trade agreements;

WTO Accession: 18 years, the 4th

Market Access in Goods

	Non –LDCs	LDCs	Time frame Non-LDCs	Timeframe: LDCs (SDT)	LDC Accession Guideline
Liberalization level	90 percent	90 percent	5 years	10 years	50 percent average for Agriculture Up to 40 percent average for NAMA if all tariff lines bound
Sensitive Products	7 percent;	7 percent;	10 years	13 years	Probability of getting More water
Exclusion List	<ul style="list-style-type: none"> • 3 percent; • Subject to anti-Concentration Clause. 	<ul style="list-style-type: none"> • 3 percent; • Subject to anti-Concentration Clause. 			If countries bound up to 95 percent , 35 percent average bound rate

Other selected Market Access issues in Goods

ISSUES	AfCFTA	WTO
New Market Access	Preferential market access In 54 African countries	Predictability
Other duties and charges	Article 7(1) Protocol in trade in Goods “State Parties shall progressively eliminate import duties or charges having equivalent effect on goods originating from the territory of any other State Party in accordance with their Schedules of Tariff Concessions contained in Annex 1 to this Protocol.”	Article II, 1. (b)... Such products shall also be exempt from all other duties or charges of any kind imposed on or in connection with the importation in excess of those imposed on the date of this Agreement....”
Trading Right	No Mention	Commitment taken by recently acceded countries

Market access in Services

For AfCFTA the AU assembly had approve **five priority service sectors**, to be an initial round negotiation.

Business Services

Communication Services

Financial Services

Transport Services and

Tourism

Each member state, required **to commit to a minimum threshold**
the negotiation is based on reciprocity

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In the WTO accession – the LDC accession guideline outlined

Member countries **to make restraint** in their requests and acceding countries to table reasonable offers.

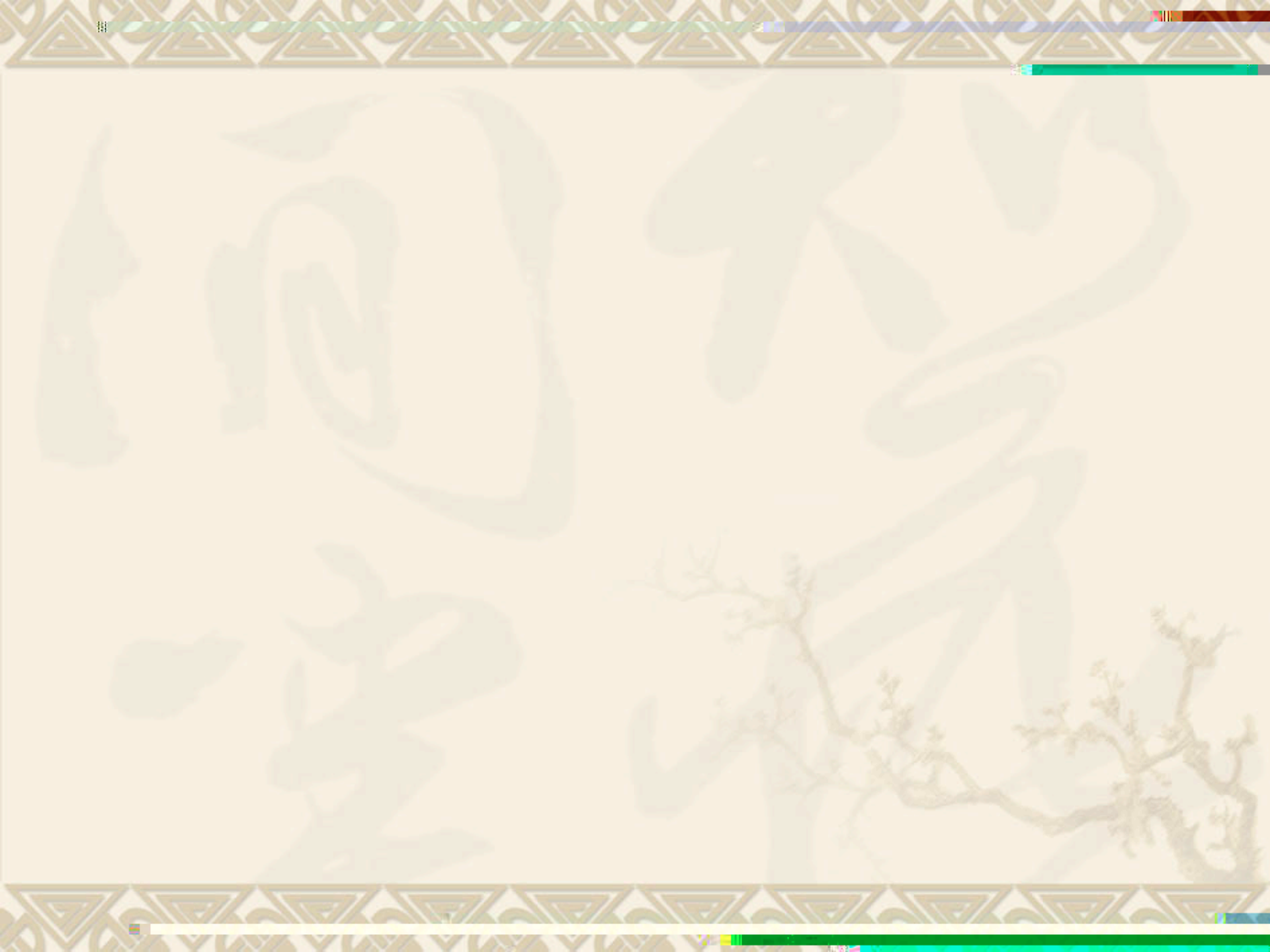
- No bench marks

Some concluding points

By removing import duties on 90% of tariff lines, AfCFTA expects to make African products cheaper and more preferred in the African market and will might displace imports from outside Africa.

Africa's imports are mainly manufactured products, the focus of Ethiopia's development agenda. AfCFTA therefore provides Ethiopia with the opportunity to realize her economic growth and diversification aspirations based on the African market.

Both the accession process and AfCFTA will bring more investment to address supply side constraints



Challenges in negotiation in the market Access in the WTO

There might be a chance of more opening services at the multilateral level for acceding countries if the AfCFTA finalized soon although member states get as part of MFN.

It is difficult to call it continental in the area of services, since it is based on reciprocity

Substantial business opportunities lie in wait for Ethiopia businesses in Africa in the wake of our signing up to the AfCFTA.

Since the principle goal of both is to increase the trade among countries. regionalism is complementary to multilateralism.



THANK YOU