The <u>March 2020 WTO accession newsletter</u> describes the current status, among others, of the Ethiopia and Somalia accession processes to the Organisation.

For what concerns Ethiopia, the country reactivated the WTO accession process after a long period of dormancy. Ethiopia's Working Party was established on 10 February 2003, one month after the Government of Ethiopia applied for the WTO membership, on 13 January 2003. So far, the Working Party met four times. The last meeting was held on 30 January 2020 and was followed by the presentation to the Ethiopian government of over 160 written questions from two WTO Members. The country is now completing the answers to these questions. Afterwards, an updated set of documentary inputs will be prepared for the next Working Party cycle. Ethiopia is a member of IGAD and COMESA (although it has not yet accessed to the COMESA Free Trade Area)

Somalia: the country is still in the early stage of the WTO accession process. Somalia submitted a request to access to the WTO on 7 November 2016 and the Working Party charged with the task to guide its accession process was established on 7 December 2016. At the General Council meeting held on 3 March 2020, Somalia announced the imminent submission of its Memorandum on the Foreign Trade Regime (MFTR) to the Secretariat. The country is a member of IGAD and recently accessed to COMESA (in 2019), while a request to join the East Africa Community (EAC) is pending since 2013, with the relevant process still ongoing.

The reasons why various countries in the world request access to the WTO are manifold, the main ones being the willing to better integrate their territories into the world economy, to increase access to foreign markets (therefore increasing exports) and to attract more investments from abroad thanks to the reduction of the barriers to trade that the accession to the WTO entails. Economies in transition sometimes require access to the WTO for political reasons, to give a strong international signal of their willing to join the list of market economy countries.

The WTO accession process is based on art. XII of the <u>Marrakesh Agreement</u> establishing the Organization, which allows accession to any State or separate customs territory possessing full autonomy in the conduct of their external commercial relations and in the conduct of the other matters covered by both the Marrakesh Agreement and the other related Multilateral Trade Agreements. For this to happen, however, two-thirds of the other members of the Organization must be in favour of such access.

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The relevant process is particularly complex and costly and requires a long series of negotiations, conducted both multilaterally (with the WTO institutions) and bilaterally (with individual countries and customs territories that are already members of that organisation). This process is divided into 4 main steps:

- Presentation of a formal written request for access to the WTO by the government of the country or customs territory concerned. The request is formally submitted to the Director General of the Organization and transmitted to the WTO Secretariat for circulation to the other members of the Organization and to the WTO General Council. From this moment, the country or customs territory concerned assumes the status of WTO "observer". Subsequently, the General Council appoints a special working group (called "working party") to conduct the membership process and the country or territory concerned is invited to submit a memorandum on the foreign trade regime (MFTR), which summarises its foreign trade regime by describing in detail the institutional framework, the current economic, monetary and fiscal situation and the economic, commercial and competition policies adopted, with the related development plans. The structure and contents of the MFTR are described in the note WT/ACC/22/Rev.1 of 5 April 2016 of the WTO Secretariat. The MFTR is subsequently examined by the working group responsible for examining the request for access to the Organization. During this process, each member of the WTO is free to submit a list of written questions to obtain clarifications or further details relating to the issues of interest to them dealt with in the MFTR, which are followed by the responses of the government concerned.
- The second phase involves the launching a series of bilateral negotiations between the country or customs territory concerned and the other members of the Organization. These discussions, which mainly concern tariff issues and market access for goods and services, are conducted bilaterally, as each country or territory that is a member of the WTO has different interests and commercial relationships with the country requesting the accession. Usually these bilateral negotiations take time and make the accession process particularly long.
- Once the WTO working party has examined the applicant's commercial policies and bilateral negotiations are concluded, the working group prepares the Terms of Accession, which are presented in a report containing the draft Accession Treaty ("Accession Protocol") with the list of the specific commitments which the state or territory concerned undertakes to implement as a member of the Organization. All these documents make up a dossier called the "final package".
- The final package is presented to the Ministerial Conference or to the General Council of the WTO (which exercises the functions of the WTO between one meeting and another of the Conference). If two thirds of the WTO members vote in favor, the applicant is admitted to sign the Protocol which will allow the formal access to the Organization. In most cases, a further step at national level is required, as this Protocol requires to be ratified by the competent national institutions.