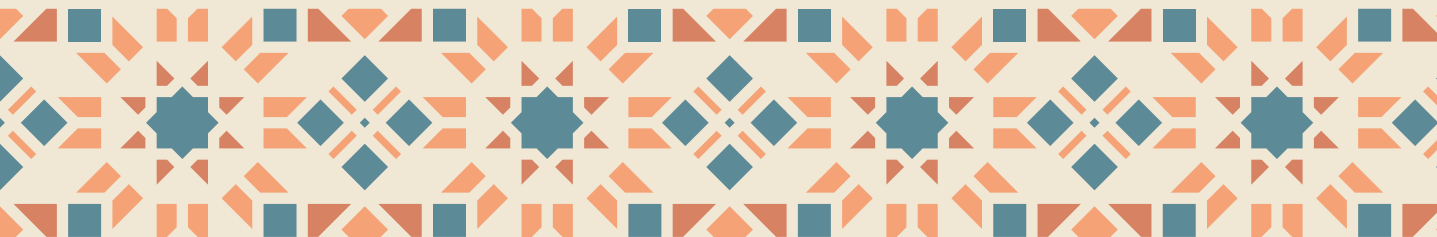


# Best practices in WTO accession for Arab countries: Lessons from past and ongoing accessions in the Arab world



# Disclaimer

This study on Best Practices in WTO Accession for Arab Countries is the result of a joint venture between the Islamic Development Bank (IsDB), the Islamic Centre for Development of Trade (ICDT), the World Trade Organization (WTO), and the Arab Monetary Fund (AMF) as partner organizations.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the positions or opinions of any of the partner organizations or their respective members. They are without prejudice to the

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**Note: The data supplied in this publication are valid as of 31 January 2026.**

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# Introduction

The importance of international trade as an engine for economic growth and development across the developing world continues to increase. However, the Arab region remains one of the most under-represented in the World Trade Organization (WTO). Of the 22 members of the Arab League,<sup>1</sup> only 14 are currently WTO members.<sup>2</sup> Out of these 14 members, Jordan, Oman, the Kingdom of Saudi Arabia, Yemen and Comoros have joined since the WTO came into being in 1995.

Nine countries became members when the WTO was created, having previously been members of the General Agreement on Tariffs and Trade (GATT): Bahrain, Djibouti, Egypt, Kuwait, Mauritania, Morocco, Qatar, Tunisia and the United Arab Emirates. Seven Arab League countries have started the process of acceding to the WTO: Algeria, Iraq, the Lebanese Republic, Libya, Somalia, Sudan and the Syrian Arab Republic. These countries have been in the accession process for, on average, over 18 years, while for some the process has been inactive for many years. Palestine, which is not engaged in the WTO accession process, has held ad hoc observer status at WTO Ministerial Conferences since 2005. This publication covers Arab League countries which are already members of the WTO as well as those which are in the process of acceding to the WTO.

This study concentrates primarily on the first four of the five Arab League members to have acceded to the WTO (See Annex I) since 1995 (under Article XII of the WTO Agreement): Jordan, Oman, Saudi Arabia and Yemen. Information on the most recent new member, Comoros, is more limited due to its WTO membership only being formalized in 2024, so performance indicators are not yet available.

The desirability as well as the challenging nature of the process of accession have been subject to focused attention over recent years. Two High-Level Regional Dialogues on WTO Accessions for the Arab region, held in partnership with the Arab Monetary Fund (AMF), the Islamic Development Bank (IsDB) and the WTO, in November 2020 and February 2022, respectively, have highlighted the challenges and difficulties faced by Arab acceding governments.

At the same time, the Dialogues also underlined the opportunities offered by WTO accession, as a vehicle for domestic reforms and an enabler for economic diversification and transformation. In this regard, the different accession and post-accession experiences of the five members to have acceded since 1995 are able to offer important lessons and may provide guidance to Arab acceding governments working to revive or advance their negotiations.

The aim of this study is to provide factual insights, lessons, conclusions and recommendations of past and ongoing accessions of Arab economies, as well as the post-accession experiences of the Arab members that have joined since 1995, including their participation in the work of the WTO. In preparing this study, the acceding governments, which are in different stages of the accession process, as well as the members that have acceded since 1995, have been consulted. Through interviews and questionnaires, they shared their specific challenges and concerns as well as their technical assistance and capacity-building needs, whether in relation to accession negotiations or participation in WTO work in general.

By drawing from the experience of Arab members having acceded since 1995, this study aims to better equip Arab acceding governments to navigate the accession process by incorporating lessons learnt and best practices. Furthermore, this study is expected to help the three co-publishing agencies (IsDB, AMF and Islamic Centre for Development of Trade), as well as other partners which are supporting the WTO accession of Arab economies, to design their future technical assistance and capacity-building programmes and activities for the Arab region, based on the specific needs identified in the study.

Set out in four sections, this study highlights the importance of trade and trade policies in Arab economies, and its conclusions are intended to inform policymakers on possible ways forward, including how to best utilize WTO membership to facilitate economic reforms and ensure policy coherence. The first Section analyses the policy context of the accession processes of Arab economies, Section 2 covers the main elements of the accession process and consequent reforms, the third Section assesses the impact of accession and what to anticipate and, finally, Section 4 concludes and looks at the way forward.

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## Endnotes

1. The Arab League, officially known as the League of Arab States, is a regional organization to promote cooperation among its 22 member countries in the Arab world. The League, which straddles two continents: Africa and Asia, facilitates political, economic, cultural, scientific, and social programmes designed to promote the interests of the Arab world.
2. The Kingdom of Bahrain, Comoros, Djibouti, Egypt, Jordan, the State of Kuwait, Mauritania, Morocco, Oman, Qatar, the Kingdom of Saudi Arabia, Tunisia, the United Arab Emirates and Yemen.

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# Executive summary

This study, *Best Practices in WTO Accession for Arab Countries* underscores the important role of international trade in fostering economic growth in the developing world, emphasizing the noticeable underrepresentation of the Arab League countries within the WTO. Out of the 22 members in the Arab League, only 14 are WTO members, while seven of the remaining eight governments have been navigating the accession process for over 18 years.

The study aims to provide insights into the past and ongoing accession of Arab economies, as well as the post-accession experiences of Arab members that have acceded since the creation of the WTO in 1995. The study addresses specific challenges, concerns and capacity-building needs related to accession negotiations, implementation of WTO rules, and broader participation in WTO work. This study offers a road map for addressing these challenges and promoting effective participation in the WTO, crucial for advancing economic development in the Arab world.

The four sections outlined in the study cover (1) the policy context, (2) accession process and reforms, (3) impact assessment, and (4) a conclusion with forward-looking considerations. Given the level of detail required to effectively provide the policy context, this executive summary focuses on the lessons learnt from Arab League countries which have joined the WTO since 1995 and the insights gained for Arab acceding governments.

## Key lessons

It is important to note that Arab countries and states are not a homogeneous group when it comes to their economies. On the contrary, they are considerably

diverse due to variations in their natural resources, levels of development, governance structures and regional dynamics. However, there are several similarities, some of which are common across all Arab economies whilst others are particular to only some.

One common characteristic is the long-standing dominant role of the government in economic activity. A transformation from a centrally planned economy to a market economy model normally requires an extensive and challenging reform process which involves, among other things, a fundamental shift in the role of the government from being a producer to becoming a regulator. Accession to the WTO and the extensive reform process it entails goes a long way to structuring and energizing economic reform and diversification strategies. Integration into the multilateral trading system not only enhances the economic prospects of Arab nations but also fosters regional stability and prosperity.

The journey towards WTO membership for Arab economies has been marked by several challenges with legal, economic and political dimensions. Despite these challenges, the commendable determination exhibited by acceding nations highlights their commitment to the accession process. It underscores that successful WTO accession requires thorough preparation, with a focus on institutional and regulatory reforms, alignment of domestic policies with international trade rules, and the enhancement of trade-related infrastructure. Inclusivity in policy-making, involving various stakeholders such as the private sector, civil society and government agencies, is deemed essential to ensure a comprehensive and coherent approach to the accession process.

Furthermore, capacity building for government officials and trade experts is considered critical to successfully

navigate the WTO accession process. Tailoring economic and negotiating strategies to individual cases is highlighted as crucial for Arab economies, even as they draw from common principles and practices applicable to all WTO accessions.

### Benefits of WTO membership

The benefits of WTO membership for the five Arab economies which have acceded since 1995 are diverse and strategic. Firstly, membership has facilitated and secured significant export opportunities in the markets of other WTO members by virtue of their respective commitments under WTO agreements. This has been integral to supporting their economic strategies, fostering trade expansion, economic growth and supporting regulatory reforms. Secondly, the broad range of regulatory and institutional reforms undertaken by these members have shaped their trade and investment regimes to foster the creation of competitive market conditions and a business-friendly environment.

Thirdly, WTO membership ensures that economic and trade policies are directed towards maintaining a market economy, particularly crucial for economies transitioning to a market-oriented approach. The stability and predictability resulting from legally binding commitments create an investment-friendly environment, vital for attracting foreign direct investment (FDI) and pursuing economic diversification. Fourthly, adherence to commitments on good governance, including the right of appeal and review of administrative measures, upholding the rule of law, further promotes an environment conducive for business.

Additionally, the enforcement of intellectual property rights in line with WTO obligations attracts investments in technologically advanced sectors. It should also be noted that WTO membership has driven the establishment of effective consultation mechanisms among government agencies and the private sector, ensuring policy coherence across sectors and regulatory frameworks. Finally, the accession process itself has spurred partnerships with the private sector and consultations with diverse stakeholders, enhancing informed positions on policy reforms and negotiations

with other WTO members. Overall, WTO membership stands as a transformative force, shaping economic policies, promoting stability and fostering collaborative approaches for sustained growth and development.

### Strategies for maximizing the advantages of WTO membership

To maximize the benefits of WTO membership, members that have joined since 1995 are advised to adopt certain practices. This begins with maintaining active and continuous engagement and coordination among relevant government agencies, essential for integrating trade policy seamlessly into the overall economic policy strategy. In addition, ongoing efforts should be directed towards pursuing regulatory reforms and addressing challenges associated with the introduction of new laws and regulations, alongside empowering relevant institutions to fulfil their regulatory functions. In this context, maintaining active and ongoing dialogue with the private sector is crucial, as they are the primary users of trade rules.

Fostering robust public-private partnerships is recommended to align private sector interests with government objectives and to mobilize proactive participation from the business community. Moreover, prioritizing reforms to streamline regulatory frameworks, align them with international standards and ensure ongoing compliance with WTO agreements is paramount. Finally, members that have acceded since 1995 are advised to continue developing and maintaining effective and efficient trade policy institutions that oversee the development and implementation of sound trade policies and regulations across all sectors. These measures collectively enhance the positive impact of WTO membership, promoting sustained economic growth and development.

### Initiatives for maximizing long-term benefits

Jordan, Oman, Saudi Arabia, Yemen and Comoros consistently exert efforts to fully harness the long-term benefits of their WTO membership through strategic approaches. Jordan underscores the pivotal role of

technical assistance in developing WTO-aligned trade policies, emphasizing training in trade data analysis, policy research and institutional capacity building, to effectively participate in WTO negotiations and implement WTO agreements. Oman advocates for continuous technical assistance, focusing on active participation in WTO bodies and specific areas such as customs valuation, trade facilitation and rules of origin. Saudi Arabia prioritizes ongoing policy and regulatory reforms aligned with its economic reform vision, emphasizing the importance of technical assistance and cooperation with the WTO and international organizations.

Yemen recognizes the significance of technical assistance in helping the country to establish the National Committee for Trade Facilitation and to implement institutional reforms since its accession. Comoros aims to continue implementing domestic reforms to strengthen alignment with WTO standards, targeting key areas such as sanitary and phytosanitary measures (SPS), the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Trade Facilitation Agreement (TFA), the Customs Valuation Agreement, and value-added tax (VAT), while reinforcing the financial architecture of the public sector. Together, these members demonstrate a commitment to maximizing the benefits of WTO membership through tailored strategies, capacity building and cooperation with international partners.

### **General recommendations for the current accession processes of Arab economies**

The general recommendations for the Arab economies currently in the accession process are multifaceted and strategic. Primarily, there is a crucial need for an overarching economic policy vision to ensure the coherence of trade policy with broader economic reform goals, especially in establishing a competitive market economy led by the private sector. Consequently, the establishment of a comprehensive policy-making machinery is imperative to facilitate coherent decision-making across various domains, including investment, finance, industrial and services policies. Effective coordination mechanisms across

ministries and government agencies, guided by political leadership, are essential.

Moreover, enhancing regulatory capacity across different sectors is vital for implementing sound regulations consistent with WTO obligations and international best practices. This involves establishing and maintaining well-equipped institutions with relevant mandates and resources.

Maintaining consultative mechanisms across regulatory institutions and engaging with the private sector and civil society are crucial for ensuring informed decision-making and regulatory coherence. Additionally, securing enabling factors for effective negotiations, including mobilizing necessary resources, maintaining a strong negotiating team, and ensuring representation in Geneva, are pivotal for successful accession.

Technical assistance and capacity building, particularly on specialized policy and regulatory matters, are indispensable and can be obtained through the WTO Secretariat and other international organizations, often with contributions from the governments of WTO members. Furthermore, outreach to the private sector is necessary to raise awareness of market access opportunities and establish communication channels for exporters to report any restrictions encountered in other members' markets. These comprehensive measures collectively pave the way for successful and sustainable participation in the WTO, aligning with national trade interests and fostering economic growth.

The essential recommendation for successful WTO accession negotiations is to maintain robust political will throughout the process. Strong political leadership not only facilitates the development of agreed positions among various regulatory authorities but also ensures the allocation of necessary resources, both financial and human, essential for the effectiveness of the negotiating team.

A well-functioning communication and information system is imperative for efficient coordination within the negotiating team and related networks. The chairperson of the accession working party, together with the WTO Secretariat, play a key role in organizing the negotiating process, contributing to its efficiency, and facilitating agreement.

Effective communication channels between the acceding government and WTO members, coupled with a robust domestic consultative setup, are also critical. Thorough preparation for accession negotiations and ensuring continuity in the negotiating team, as well as engaging national consultative bodies, further enhance the likelihood of a successful and sustainable accession process.

### General recommendations for the post-accession period for the Arab nations

Following successful negotiations, there is a renewed commitment to consistency in policies, laws and regulations with WTO rules. This necessitates maintaining adequate resources and organizational structures to capitalize on the knowledge and expertise accumulated during accession negotiations.

Effective communication and consultative mechanisms with private sector stakeholders developed during the negotiating process must continue into the post-accession phase. It is crucial to ensure their continual input in WTO-related policy and regulatory actions. The implementation of WTO rules, especially in trade in goods, is guided by relevant provisions, while trade in services requires a more balanced approach between market access and regulation. The establishment of sound regulatory institutions post-accession involves a level of independence, interface, accountability and human resources.

### Development of technical assistance and support for WTO Arab acceding governments

The development of technical assistance and support for WTO Arab acceding governments within the WTO is considered crucial, due to the complexity of the accession process. Acceding governments face intricate rules, obligations and negotiation procedures, requiring expert guidance to navigate these challenges. In addition to accession complexities, these governments automatically engage in ongoing negotiations, which means that they need to remain informed about current discussions and potential outcomes.

The WTO, through its Institute for Training and Technical Cooperation, provides trade-related technical assistance and training to developing members, least-developed countries, and developing and least-developed countries undergoing accession. The primary goal is to assist them in comprehending and effectively implementing WTO obligations, enabling them to exercise their rights post-accession. While the WTO doesn't directly address supply-side issues, it collaborates with other providers of trade-related technical assistance. The coordination of technical assistance delivery with bilateral donors and international institutions is emphasized, with the WTO Secretariat actively participating and partnering with the Organisation for Economic Co-operation and Development (OECD) to establish a comprehensive database on trade-related technical assistance and capacity building.

The identification of needs within the WTO's technical assistance framework is a dynamic process driven by the evolving requirements of its members and acceding governments. Comprehensive information on technical assistance is detailed in the WTO's technical assistance plans, addressing individual activities and national/regional needs. The WTO progressive learning strategy focuses on specific requirements, employing a results-based management approach for effective monitoring and evaluation. Needs are expressed through requests from WTO members and acceding governments, shaped by global trade developments.

Specific mechanisms through which WTO Arab governments can express their needs include direct requests, needs assessments and engaging in ongoing dialogues and consultations with the WTO. It is crucial to distinguish technical assistance provision from the formal accession process. WTO acceding countries, Algeria and Sudan, provided recommendations, including specialized training programmes, strengthened negotiating capabilities and tailored technical assistance to enhance WTO support for acceding governments, fostering inclusivity and effective integration into the global trading system.

The development of the technical assistance plan by the WTO involves proactive engagement with WTO Arab governments. These acceding governments are encouraged to submit written requests for

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country-specific technical assistance tailored to their unique needs, especially during and after the accession process. The plans also extend to regional assistance for groups of economies. Recognizing the distinctive nature of the work during the accession process, the WTO Secretariat offers specialized training courses covering various topics. These courses aim to enhance the expertise of negotiating teams and include comprehensive areas such as understanding trade policy perspectives, providing background on WTO agreements, addressing goods and services negotiations, and thematic sessions on specific trade-related topics.

Additionally, courses on negotiating techniques and simulation exercises contribute to equipping negotiating teams with practical skills and knowledge, ensuring a well-informed and empowered participation in the accession process and effective integration into the global trading system.

Partnerships for further support in WTO accession processes involve collaboration with various organizations and institutions. Beyond the WTO, entities such as USAID and the European Union (EU) have played a crucial role in mobilizing resources and supporting governments seeking accession by offering technical assistance and guidance. Notable examples include the EU-funded "Strengthening the agriculture and agri-food value chain and improving trade policy"

(SAAVI) project aiding Iraq in its WTO accession. The SAAVI programme is executed by the International Trade Centre (ITC) and focuses on aligning Iraq's trade policies with international standards through technical assistance, capacity building and advisory services.

Lebanon, also, received support from organizations such as the United Nations Development Programme (UNDP), WTO, ITC, Arab Monetary Fund (AMF), USAID and the EU during its accession process, involving policy support, stakeholder engagement and capacity building. Yemen's collaboration with USAID on technical assistance extended beyond accession, addressing the Trade Facilitation Agreement. Guidance on technical assistance facilitated a comprehensive assessment, institutional reforms, capacity building, and the development of a national plan for trade reforms in Yemen, fostering dialogue and cooperation between the public and private sectors. These collaborative efforts aim to enhance institutional capacity, streamline trade processes, and facilitate sustainable growth in acceding economies.

Bilateral exchanges and consultations between Arab members that have acceded since 1995 and Arab governments currently negotiating accession provide valuable opportunities for knowledge sharing between established WTO members and countries in the accession process in the Arab region.

# 1

SECTION

## The policy context for the accession of Arab economies

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Bulk carrier vessels moored in the Port of Salalah on the Arabian Sea, Oman.

## Background

### Status and characteristics of Arab economies and trade

Arab economies are not an economically homogeneous group; their economies are quite diverse due to variations in natural resources, levels of development, governance structures and regional dynamics. However, there are several similarities, some of which are common across all Arab economies while others are particular to some.

One common characteristic of Arab economies is the long-standing history of the government having a dominant role in economic activity. In some cases, this was a deliberate “centrally planned economy” approach where the government was the main producer of goods and services. In other cases, it was due to the dominance of the oil and gas sector which was government owned and controlled. An inevitable consequence of this history was the limited experience gained in regulating and governing a competitive private sector-led economy.

A transformation from a centrally planned economy to a market economy model normally requires a fundamental shift in the government’s role from being a producer to becoming a regulator. To face this regulatory challenge, it is necessary to make a dual effort of both reforming rules (laws and regulations), as well as institutions for policy-making, implementation and enforcement. This challenge is particularly evident across services sectors such as finance, telecommunications, transport, distribution and logistics.

Governance and institutional challenges persist in many Arab economies, including bureaucratic inefficiencies and weak regulatory frameworks. These factors hinder the development of a dynamic and competitive economy. Additionally, they slow down overall economic development, discourage foreign investment and hinder private sector growth. To evolve away from this and towards sustainable economic progress, certain essential enabling factors must be achieved, such as strengthening governance, promoting transparency and enhancing the business environment.

Several Arab economies have been heavily dependent on oil and gas exports as a primary source of revenue. The annual growth in oil export prices in Arab economies declined in 2023, at varying rates, ranging between 14.9 per cent and 20.6 per cent (AMF, 2024). Accordingly, the value of Arab economies’ oil exports increased significantly, reaching the highest levels seen in several years.

Members such as Kuwait, Qatar, Saudi Arabia and the United Arab Emirates (UAE) are major oil producers. Oil exports contribute significantly to their GDP, government revenues and foreign exchange earnings. For most of them, fuel exports constitute the largest share of total exports. In 2022, Iraq’s export of fuels constituted 97 per cent of its total exports, Algeria and Libya’s exports of fuels constituted 95 per cent of their total exports, Qatar 90 per cent, Saudi Arabia 75 per cent, Oman 56 per cent, Kuwait 51 per cent, Yemen 50 per cent, and the UAE 48 per cent.

This heavy dependence on oil exports has led to high sensitivity to external shocks due to price fluctuations. This vulnerability has incentivized such economies to direct major efforts towards economic diversification and the broadening of their export base. The concerned Arab economies have undertaken initiatives to promote non-oil sectors such as manufacturing, services, tourism and knowledge-based industries.

WTO members such as Bahrain, Oman, Qatar, Saudi Arabia and the UAE have made significant progress in diversifying their economies. They have also invested in infrastructure development, including transportation networks, ports, airports and energy projects. These infrastructure investments aim at facilitating trade, attracting investment and promoting economic growth and development. They also help promote economic integration within the region as well as participation in regional and global value chains. However, inadequate infrastructure in rural areas and the need for continued investments in sustainable infrastructure remain persistent challenges for the region.

Four Arab economies which were recognized in the World Bank’s *Doing Business report 2020* as having had the most notable improvement following the implementation of regulatory reforms are Bahrain, Jordan,

Kuwait and Saudi Arabia. Jordan and Kuwait appeared on the list of the 10 most improved economies for the first time. The main factors considered by the *Doing Business report* to drive economies to reform were political and economic. Additionally, the economic advancement of neighbouring economies as well as cultural proximity were motivational spillover factors in transmitting reforms across economies (World Bank Group, 2020).

Logistics and transport increasingly play a pivotal role in international trade relations. The Logistics Performance Index of the World Bank (LPI) analyses differences between economies in terms of customs procedures, logistics costs and the quality of the infrastructure for overland and maritime transport.

It indicates that there is a diverse performance of Arab economies in the areas of transport infrastructure and auxiliary services that affect their trade performance. Table 1 shows the Arab economies' ranking in the LPI, indicating where they stand across various dimensions of logistics performance and highlighting areas for potential improvement.

Jordan, a non-oil producing member, has a diverse economy, relying on the tourism, manufacturing, agriculture and services sectors, amongst others, while facing challenges such as high unemployment and fiscal deficits. It benefits from trade and remittances but lacks significant natural resources. Jordan advanced 29 places in the *Doing Business report 2020*, and the

**Table 1. Logistics Performance Index for 2023**

Country/ territory	LPI		Customs		Infrastructure		International shipments		Logistics competence		Tracking & tracing		Timeliness	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Algeria	97	2.5	101	2.3	125	2.1	57	3.0	126	2.2	98	2.5	116	2.6
Bahrain	34	3.5	31	3.3	30	3.6	47	3.1	46	3.3	41	3.4	10	4.1
Egypt	57	3.1	59	2.8	55	3.0	43	3.2	65	2.9	72	2.9	35	3.6
Iraq	115	2.4	120	2.1	118	2.2	102	2.5	126	2.2	105	2.4	87	3.0
Kuwait	51	3.2	37	3.2	30	3.6	43	3.2	65	2.9	49	3.3	101	2.8
Libya	138	1.9	133	1.9	138	1.7	135	2.0	138	1.9	136	1.8	137	2.2
Mauritania	123	2.3	120	2.1	130	2.0	128	2.2	103	2.5	98	2.5	101	2.8
Oman	43	3.3	47	3.0	47	3.2	26	3.4	53	3.2	20	3.9	76	3.1
Qatar	34	3.5	43	3.1	19	3.8	47	3.1	14	3.9	34	3.6	46	3.5
Saudi Arabia	38	3.4	47	3.0	30	3.6	38	3.3	46	3.3	37	3.5	35	3.6
Somalia	137	2.0	139	1.5	132	1.9	111	2.4	139	1.8	136	1.8	133	2.3
Sudan	115	2.4	120	2.1	108	2.3	111	2.4	110	2.4	117	2.3	109	2.7
Syria	123	2.3	110	2.2	118	2.2	121	2.3	126	2.2	117	2.3	124	2.5
United Arab Emirates	7	4.0	14	3.7	9	4.1	4	3.8	11	4.0	11	4.1	4	4.2
Yemen	132	2.2	137	1.7	132	1.9	139	1.7	92	2.6	117	2.3	101	2.8

Source: International Logistics Performance Index (LPI) 2023, World Bank Group.

report praised the tangible progress achieved by Jordan in the categories of obtaining financing, electronic payment methods, process automation and laws related to insolvency and bankruptcy.

Lebanon's economy, on the other hand, is primarily service-oriented. Historically, it was known for a robust banking sector and its status as a financial hub. However, since the domestic financial crisis in 2019, the banking sector has experienced severe pressure, and the country now faces its worst economic crisis in decades - marked by high inflation, a sharp currency devaluation, and rising public debt. Political instability and persistent financial challenges have further undermined its prospects. Overall, both economies are influenced by geopolitical factors and regional instability.

Comoros, a non-oil producing member as well as a small island economy, relies mainly on the primary and retail services sectors, accounting for 51 per cent and 18 per cent of its GDP respectively. To promote trade openness, economic diversification, investment and competitiveness, particularly in promising sectors such as tourism, fisheries and agrifood, Comoros must overcome several development challenges. These include a small manufacturing base, limited export capacity, rising unemployment and a high level of external debt.

Arab economies are also facing significant challenges in addressing the high youth unemployment rates, which in the Arab world was 26.7 per cent of the total labour force aged 15–24 in 2022. The region has a young population, and the labour market struggles to absorb the increasing number of young job seekers. Factors contributing to youth unemployment include a mismatch between education systems and job market demands, limited private sector job opportunities, and rigid labour market regulations. Developing a more diverse and dynamic economy would without doubt expand job opportunities, while reforming education and vocational training systems would better prepare the labour force to incorporate them.

In most Arab middle-income countries, unemployment is expected to remain acute. Lebanon is likely to continue recording the highest unemployment rate in the Arab region, at about 29.2 per cent in 2022, as a

result of its protracted financial and economic crisis. In many Arab least-developed countries (LDCs) and economies affected by conflict, unemployment rates are also expected to remain high and even to increase slightly.

The 2024 Global Gender Gap Index reveals that the Arab region continuously has the highest share of the worst-performing economies in the Index. In 2024, there was a slight improvement in the average score for the Arab region. Despite gradual gains since 2006 (+3.9 points), the regional average stands at 61.7 per cent parity, leaving a 38.3 per cent gap. At today's pace, the World Economic Forum projects that it will take 134 years to reach global parity. While there has been some progress in terms of economic participation and opportunity, structural barriers still impede women's involvement in the labour market in the region.

In 2024, the youth female unemployment rate in the region was estimated at 42.0 per cent, the highest of any region in the world, while male youth unemployment was 22.2 per cent. In contrast, global averages stand at 5.2 per cent and 4.8 per cent, respectively (UNESCWA, 2024).

Another characteristic of Arab economies is that they often face trade imbalances, with heavy reliance on imports for consumer goods and a limited export base. While some economies have made progress in expanding their non-oil exports, the overall trade deficit remains a common feature for non-oil exporting economies. Enhancing competitiveness, promoting value-added industries, developing efficient domestic services capacity and improving trade infrastructure are key areas of focus for raising productivity and addressing trade imbalances.

Table 2 shows that members such as Bahrain, Oman, Qatar, Saudi Arabia and the UAE witnessed a trade surplus in 2022, while other Arab members like Egypt, Jordan, Lebanon, Morocco, Sudan and Tunisia still face trade deficits.

The political conflicts and instability that several economies of the Arab region have experienced have adversely affected their economic development.

**Table 2. Merchandise trade balance for selected Arab economies (US\$ million, 2022)**

Country/territory	Merchandise exports	Merchandise imports	Merchandise trade balance
Algeria	60,924	39,027	21,897
Bahrain	30,194	15,537	14,657
Comoros	54	348	-294
Egypt	48,845	85,844	-37,000
Iraq	138,291	87,216	51,075
Jordan	12,380	27,290	-14,910
Saudi Arabia	411,184	189,877	221,307
Kuwait	101,270	32,356	68,914
Lebanon	4,370	19,503	-15,133
Libya	37,686	29,634	8,052
Morocco	41,481	71,807	-30,326
Oman	66,456	38,704	27,752
Qatar	130,964	33,479	97,485
Sudan	4,357	11,095	-6,737
Tunisia	18,561	26,656	-8,095
United Arab Emirates	532,797	420,510	112,287
Yemen	903	5,312	-4,409

Source: Trade Profiles 2022, WTO.

Ongoing conflicts disrupt trade, investment and the functioning and development of infrastructure. Conflict and political instability hamper economic growth and any development agenda including economic reforms. It also explains the lengthy process of WTO accession in the Arab region. Ultimately, political stability is crucial for sustained economic growth and development in affected economies.

It is important to recall that while these characteristics apply to several Arab economies, there are still considerable variations across the region due to differences in natural resources, economic policies and levels of development.

### **The role of trade in the overall economic performance and its contribution to growth and development in Arab economies**

Trade plays a significant role in Arab economies and contributes to regional and global commerce. Trade accounted for 87 per cent of GDP in 2023, reflecting its importance in the Arab economies (World Bank, 2023). The Arab economies, which include a diverse range of nations in the Middle East and North Africa, with the exception of Comoros in Southeastern Africa, are involved in various types of trade, including

intra-regional trade and trade with other developing economies, as well as trade with developed nations.

On the intra-regional trade front, the Arab League and other regional organizations play an important role in promoting trade and removing trade barriers among member countries. Intra-Arab exports accounted for 9.9 per cent of total exports in 2023 while intra-Arab imports accounted for 12.1 per cent during the same year. However, intra-regional trade still faces challenges, including political tensions, inconsistent regulations, high non-tariff barriers and gaps in infrastructure.

While Arab economies' trade relationships with developing nations aim to strengthen economic ties and contribute to South-South cooperation, they also have extensive trade relations with developed economies, especially in Europe and Asia. Oil-exporting Arab nations have significant trade ties with major economies, supplying oil and gas while importing various goods and services. Non-oil-exporting Arab economies also engage in trade with developed nations, exporting products such as textiles, agricultural goods and chemicals.

The main export destination is Asia, which accounts for the highest share of total Arab exports with 43.9 per cent, the European Union (EU) with 10.0 per cent and the United States of America with 3.4 per cent. Arab imports from the main trading partners during 2023 were valued at 8.0 per cent of total imports from the United States, 19.6 per cent from the EU and 31.9 per cent from Asian economies (AMF, 2024). Figure 1 shows the direction of Arab merchandise exports and imports to different trading partners in 2023.

Notwithstanding the diversity among Arab economies in terms of their size, structure and levels of development, international trade plays an important role in their overall economic performance and contributes significantly to their growth and development. Accordingly, Arab economies have undertaken initiatives to promote trade and economic cooperation. Additionally, regional organizations like the Arab League and the Gulf Cooperation Council (GCC) have been aiming to enhance economic cooperation and to facilitate trade within the region. These efforts can be further supported through more participation by Arab

economies in global trade in goods and services, and their integration into the global economy.

Being a member of the WTO is one of the most effective tools to achieve such integration and increasing participation, including in global value and supply chains. However, membership of the WTO would also need to be supported by domestic reforms and coherent policy approaches to achieve the desired growth and development outcomes. This must include policies covering a wide range of services sectors as well as the protection of intellectual property.

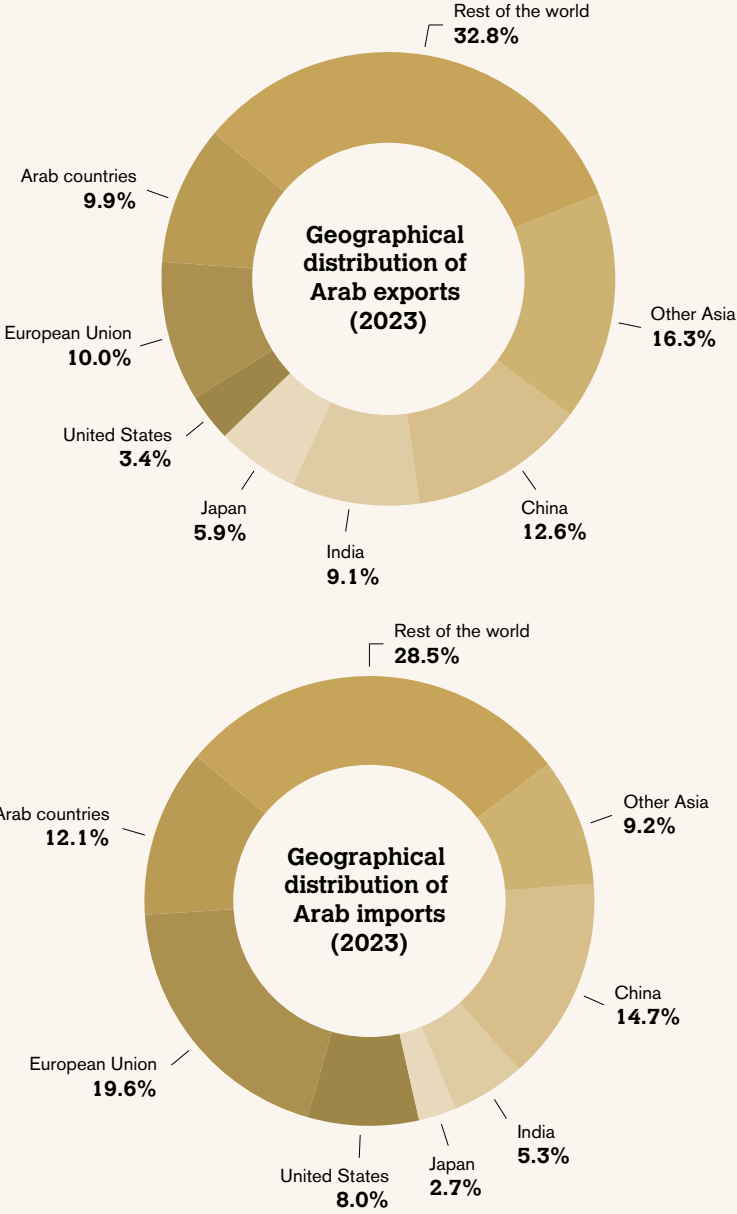
Several Arab economies need to reduce their dependence on natural resources, particularly oil and gas, for their economic growth. Fuel and minerals still account for the largest share in the total Arab exports accounting for 62.9 per cent in 2023, while manufacturing accounted for 27 per cent, and agricultural commodities accounted for 7.7 per cent of total exports (AMF, 2024). Some have already implemented economic reforms to attract investments and improve their business environments.

Greater participation in international trade and opening of markets to competitive goods and services provides an avenue for diversification by promoting new productive sectors and reducing dependence on a narrow economic base. By engaging in international trade in goods and services, Arab economies can develop new industries in the manufacturing, services and agriculture sectors leading to a more balanced and sustainable economy.

Attracting foreign direct investment (FDI) is one of the primary aspirations of economies pursuing growth and development strategies based on a competitive market economy approach. Trade openness through a combination of a rules-based system that provides stability and predictability of policies and regulation, together with supportive economic reforms may go a long way in creating the right conditions to attract FDI.

The right types of investments would bring the associated capital, technology, technical skills and managerial expertise, as well as facilitate access to new markets. All this eventually contributes to economic growth, job creation and the development

**Figure 1. Shares of Arab merchandise trade for 2023**



Source: Joint Arab Economic Report 2024, Arab Monetary Fund.

of industries and infrastructure in host economies. Trade openness, under WTO rules, signals solid commitment to an open, transparent, stable and predictable competitive market environment.

Trade also plays a major role in the transfer of technology. It exposes Arab economies to new technologies, ideas and best practices from around the world. Through the importation of capital goods, advanced machinery and other high technology products, economies can increase their production capabilities, enhance efficiency and upgrade their industries. State-of-the-art services, which are crucial inputs to all productive activities, also play a decisive role in raising the overall competitiveness of economies. All this enhances economic growth and development.

When it comes to raising competitiveness, engaging in international trade exposes Arab economies to global competition, which stimulates domestic industries to innovate towards higher standards and lower costs. By producing goods and services that meet international quality standards and are cost-effective, economies can expand their export opportunities. Such competitiveness not only benefits the export-oriented sectors but also drives efficiency and innovation on a domestic level.

While stressing that innovation is central to economic development in Arab economies, it is worth examining innovation rankings. Table 3 shows how some Arab economies rank out of 132 economies in the Global Innovation Index 2024 (WIPO, 2024). It is notable that the UAE ranks highest among Arab economies, followed by Saudi Arabia and Qatar. Furthermore, Jordan, Morocco and Tunisia have achieved performance above expectations for their level of development. Additionally, Saudi Arabia and Qatar were among the Top 50 in 2024, while Bahrain and Oman made it to the top 70 in the list.

As stated above, increased trade participation may enhance the opportunities and skills of the labour force. This may help create jobs across various sectors of the economy and in new industries such as digital and other services. Lowering restrictions on digital and other services would enable more digital trade in both goods and services. In digital innovation, the various challenges for governments and policymakers

**Table 3. Global Innovation Index for selected Arab economies for 2024**

Country	Rank
United Arab Emirates	32
Saudi Arabia	47
Qatar	49
Morocco	66
Kuwait	71
Bahrain	72
Jordan	73
Oman	74
Tunisia	81
Egypt	86
Lebanon	94
Algeria	115

Source: Global Innovation Index 2024 (World Intellectual Property Organization).

also include issues related to data security and privacy, closing the digital divide, internet governance, and expanding trade statistics and trade agreements to cover related issues.

The evolution of e-commerce and the use of digital tools is leading to important changes in international trade. For example, any improvement in trade facilitation is linked to the extent of its support by electronic infrastructure. E-commerce services require infrastructure for telecommunications, the internet, logistics, transportation, information and communications technology (ICT) and electronic systems. The levels of digitization of economic sectors vary across Arab economies, as shown by the Business-to-Consumer (B2C) E-commerce Index produced by United Nations Trade & Development (UNCTAD), which measures an economy's preparedness to support online commerce. Among 152 economies, the highest-ranking Arab economies in the top 100 in 2020 (UNCTAD 2020) are shown in Table 4.

**Table 4. Highest-ranking Arab economies in the B2C E-commerce Index 2020**

Country/Territory	Rank
United Arab Emirates	37
Saudi Arabia	49
Qatar	50
Oman	54
Lebanon	64
Jordan	76
Algeria	80
Libya	85

Source: UNCTAD.

While the challenges vary from one economy to another, the most important are: providing infrastructure for high-speed internet, lack of necessary regulation for the digital economy, lack of financing, lack of appropriate education and awareness in certain societies, and lack of expertise in the field of software and ICT services.

Trade expansion also enables Arab economies to increase foreign exchange revenues from exports of goods and services. Such valuable earnings, sorely needed in some cases, can be utilized for various purposes, including infrastructure development, education, healthcare and technological advancements. Foreign exchange reserves also provide stability and act as a buffer during times of economic uncertainty which, in turn, contribute to a more stable and inviting business environment.

Arab economies can also benefit from regional trade integration initiatives, such as the Pan-Arab Free Trade Area, the Arab Trade in Services Agreement, and the GCC, which aim to boost intra-regional trade in goods and services, as well as economic cooperation. While regional trade agreements cannot substitute a multilateral rules-based trading system, enhancing trade ties with neighbouring economies could

nevertheless expand Arab economy markets, promote specialization, and achieve economies of scale, leading to increased competitiveness and growth. Additionally, they may facilitate the creation of regional value chains and enhance Arab economy participation in global value chains.

Trade is also an important tool for Arab economies to achieve the Sustainable Development Goals (SDGs) by 2030. The SDGs, established by the United Nations, are a set of 17 interconnected goals aimed at addressing various global challenges, including poverty and inequality, environmental sustainability, and more. Achieving the SDGs is a priority on the political agenda of Arab economies, alongside their efforts of economic diversification towards increased competitiveness. To that end, trade and trade-related reforms have significant potential to contribute to their economic growth and development.

Finally, it is essential to note that the benefits of trade vary depending on other national policies, infrastructure readiness, human capital capabilities, as well as its regulatory and institutional frameworks. Arab economies thus need to adopt supportive trade policies and domestic reforms, invest in infrastructure development, improve the business climate, and prioritize education and skills development to maximize the positive impacts of trade on their economic performance and development.

## Overview of Arab economies in the WTO – original members, members that have acceded since 1995, and economies negotiating accession

The Arab economies in the WTO can be divided into three categories: members that have acceded since the creation of the WTO, countries currently negotiating accession, and original members under the GATT. An overview of these economies can be found in Table 5.

**Table 5. Arab League countries; WTO members and those acceding**

Country/territory	Status	Date of GATT membership	Date of WTO membership	Date of start of accession process
Jordan	Joined since 1995	/	11/04/2000	/
Oman	Joined since 1995	/	09/11/2000	/
Saudi Arabia	Joined since 1995	/	11/12/2005	/
Yemen	Joined since 1995	/	26/06/2014	/
Comoros	Joined since 1995	/	21/08/2024	
Algeria	Acceding	/	/	17/06/1987
Sudan	Acceding	/	/	25/10/1994
Lebanon	Acceding	/	/	14/04/1999
Libya	Acceding	/	/	27/07/2004
Iraq	Acceding	/	/	13/12/2004
Syria	Acceding	/	/	04/05/2010
Somalia	Acceding	/	/	07/12/2016
Kuwait	Original member	03/05/1963	01/01/1995	/
Mauritania	Original member	30/09/1963	31/05/1995	/
Egypt	Original member	09/05/1970	30/06/1995	/
Morocco	Original member	17/06/1987	01/01/1995	/
Tunisia	Original member	19/08/1990	29/03/1995	/
Bahrain	Original member	13/12/1993	01/01/1995	/
UAE	Original member	08/03/1994	10/04/1996	/
Qatar	Original member	07/04/1994	13/01/1996	/
Djibouti	Original member	16/12/1994	31/05/1995	/

Source: World Trade Organization.

It should be noted that the first category of original members is rooted in membership of the General Agreement on Tariffs and Trade (GATT), the predecessor to the WTO. This transition from the GATT to the WTO facilitated membership under less demanding conditions compared to those who acceded under the previous regimen. For the latter, the negotiation

of terms of accession had a different dynamic which led to a relatively higher level of commitments in their schedules (goods and services) as well as in their protocols of accession. The third category are countries in different stages of the accession process, with some more advanced than others.

## Pre-accession assessment – political and economic context before the start of the accession process

Diversity among Arab economies is manifested in their political systems, economic structures, development stages and income levels. However, one of the common features of Arab economic policies is that they are by and large centrally planned. The historic roots of this are found in the post-colonial era, when the government became the central authority that controlled decisions regarding allocation of resources as well as the production and distribution of goods and services.

In the manufacturing sector, the government typically owned and controlled major industrial production units. In the services sector, major services such as telecommunications, financial services, transportation, education, healthcare, and others, were supplied by government owned and controlled companies or public utility entities. This economic model also influenced the type of trade policies adopted at the time and the extent to which openness to and participation in global markets was limited. Achieving competitiveness was not seen as a priority policy objective in the broader context of economic strategy at the time.

It was not until the late 1980s and early 1990s that Arab economies started joining other developing countries in striving towards a market economy approach. The adoption of a market economy model pursuing economic growth and development entailed fundamental changes in the role of government and its institutions in the economy. It also involved a wholesale revision of economic policies and related laws and regulations. This also required a fundamental redesign of trade policies to align with a newly market-oriented economy. This overall trend influenced to a considerable extent the way in which Arab economies considered accession to the WTO.

Not all 14 economies (acceded Arab members) covered in this paper conducted an assessment specifically focused on WTO accession and how

it would support their economic strategy prior to submitting their accession request. However, responses to questionnaires<sup>1</sup> reveal that they all considered that the transformative process towards a market economy would entail policy and regulatory changes that can be significantly facilitated by applying WTO rules and requirements.

Responses to questionnaires as well as subsequent bilateral discussions highlighted several policy objectives, including:

- Ensuring greater economic policy coherence that mainstreams trade policy as an integral part of the overall economic policy vision.
- Raising productivity and the overall competitiveness of the economy through adoption of open policies that ensure fair competition in different sectors of the economy.
- Attracting more FDI inflows to achieve higher levels of growth and benefit from associated technology transfer.
- Upskilling the domestic labour force and creating new jobs.
- Diversifying the economy and avoiding dependence on a narrow export base through, *inter alia*, improving the domestic business environment, and expanding the role of the private sector.
- Securing new export opportunities in foreign markets with stability and predictability of trade conditions. Some specified the need for a legal framework that provides for a rules-based order. The importance of such a stable environment was also highlighted in relation to encouraging FDI inflows.
- Expanding the economy through new opportunities for trade in goods and services in a way that contributes to economic and social development goals, leading to an increase of the overall standard of living in society.
- Facilitating the adoption of international quality standards.
- Streamlining and simplifying regulatory procedures to facilitate trade and improve the business environment.
- Lowering trade and transaction costs by reducing red tape, promoting good governance and the rule of law.

- Improving the efficiency of infrastructure services (transport, logistics, finance, telecommunications, distribution, etc.) through promoting competitive market conditions to raise the overall competitiveness of the economy.
- Using the WTO rules and guidelines as a tool to overcome the challenge of regulatory reform and a changing role of the government in the economy.
- Integrating into the global economy and being part of the multilateral trading system with the aspiration of active participation in the work of the WTO in the future.
- Embarking on substantial domestic reforms associated with accession as well as securing export opportunities in new markets as a means of poverty reduction, particularly for LDCs.

These policy considerations are common across these economies. Some responses to the questionnaires even indicated that these policy objectives were already pursued prior to the decision to seek accession. In one case, the respondent indicated that WTO principles and rules had already been followed by the government far before accession, which eventually helped to conclude the process in a remarkably short time.

Notwithstanding these commonalities, this group of economies remains diverse in terms of their economic profiles. In broad terms, the following 12 economies may be grouped under three profiles: oil-dependent exporters (Algeria, Iraq, Libya, Oman, Saudi Arabia and Syria), non-oil exporters (Jordan and Lebanon), and LDCs (Comoros, Somalia, Sudan and Yemen). Despite

their diversity, they all moved in the same policy reform direction prior to their decision to submit a request to accede to the WTO.

It should be noted that there are additional aspects of diversity, ranging from different government forms (monarchies and republics), different levels of institutional capacity, to different natural resource endowments and levels of income. There are also economies within this group which are facing serious challenges resulting from conflicts and political instability. Against this backdrop of diversity, the decision taken by each government to accede to the WTO was motivated by the common factors referred to above.

Strong commitments in international trade agreements, including those overseen by the WTO, enhance the credibility of trade policy reform programmes and help lock them in. Establishing this credibility enables governments to confidently open to trade while effectively addressing concerns from domestic interest groups. According to the political commitment theory of trade agreements, by participating in an international trade agreement, a government can credibly announce its intention to open to trade while signalling to domestic producers that it cannot subsequently back down from these commitments without facing retaliation from its trading partners. However, the implementation of new obligations and associated reforms requires considerable political effort and effective consultative mechanisms to ensure buy-in from all stakeholders.

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## Endnotes

1. See questionnaires in Annex I (Questionnaire for Arab acceding governments) and Annex II (Questionnaire for Arab members having acceded to the WTO after 1995).

# 2

SECTION

## Main elements of the accession process and reforms upon accession

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The Kar group oil refinery, Erbil, Iraq.

## Overview of the accession process and outcomes

The accession process is a complex procedure that economies aspiring to become WTO members must undergo to become fully-fledged members of the multilateral trading system. The process of acceding to the WTO is designed in accordance with the nature of the organization as a contractual framework of legally binding agreements in which members exchange rights and obligations. All members are bound by the rules and disciplines laid out in these agreements, and their individual market access commitments contained in their individual schedules. All such obligations and commitments are enforceable through the WTO dispute settlement mechanism.

By becoming a WTO member, a country/territory agrees to uphold and adhere to a set of international rules and principles governing trade. The process of joining the WTO aims at reaching an agreement between the acceding government and the WTO members on the terms of accession. This entails agreement on all obligations and commitments the acceding government would undertake. The process is also designed to guarantee that the acceding government's laws, regulations and practices are in compliance with its WTO obligations. In this context, the act of acceding to the WTO represents the willingness of a new member to embrace a range of commitments and obligations that shape its integration into the global trading system.

The realm of legal obligations within the WTO can be categorized as two overarching types, each serving a distinct purpose in fostering equitable and predictable global trade:

**a. Standardized obligations:** This category encompasses obligations and disciplines comprised in the WTO agreements and which are uniformly applicable to all WTO members. They establish a baseline of conduct and expectations for all members. These standardized obligations serve to create a fair and transparent trading environment of stability and predictability of trade conditions, and to promote mutual cooperation.

**b. Customized and negotiated commitments:**

The second type of legal obligations involves specific commitments tailored to the unique circumstances of each individual member. These commitments are not preordained; rather, they are negotiated taking into consideration the economic and trade priorities of each member. Such commitments on trade in goods and trade in services are set in individual schedules for each member. In addition, for members which have joined since 1995, there are further specific commitments recorded in the protocol of accession, a document that delineates the specific terms and conditions under which the new member will join the WTO.

In essence, the act of joining the WTO constitutes the conscious choice to actively participate in the global trading system. By embracing the above legal obligations, economies contribute to the shared objective of promoting fair, open and mutually beneficial trade interactions on a global scale. At the same time, a WTO member benefits from the predictability and stability of trading conditions that secure export opportunities.

### The legal basis of WTO accession

Article XII of the Marrakesh Agreement Establishing the World Trade Organization (the Marrakesh Agreement) outlines the conditions and process for a state or a separate customs territory to become a member of the WTO and adhere to its agreements. It states that:

- “1. Any State or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of the other matters provided for in this agreement and the Multilateral Trade Agreements may accede to this Agreement, on terms to be agreed between it and the WTO. Such accession shall apply to this Agreement and the Multilateral Trade Agreements annexed thereto.
2. Decisions on accession shall be taken by the Ministerial Conference. The Ministerial Conference shall approve the agreement on the terms of accession by a two-thirds majority of the Members of the WTO.
3. Accession to a Plurilateral Trade Agreement shall be governed by the provisions of that Agreement.”

### **Possession of full autonomy in the conduct of its external commercial relations**

Article XII (1) of the Marrakesh Agreement stipulates that for a state or separate customs territory to join the WTO, it must have complete independence in managing its external commercial relationships and other relevant matters outlined in the WTO agreements. This signifies that the entity seeking accession should have the ability to make its own trade decisions and fully participate in international trade negotiations. While international inter-governmental organizations are normally made up of sovereign states, Article XII opens a possibility for trading partners who are not fully-fledged sovereign states to accede to the WTO under two conditions:

- i. they must be separate customs territories, and
- ii. they must possess full autonomy in the conduct of their external commercial relations.

Such separate customs territories have the same rights and obligations as any other member.<sup>1</sup>

### **Acceding to the Agreement**

Article XII (1) provides that a state or separate customs territory can join the WTO by becoming a party to the agreements outlined in the WTO's framework. These agreements include both the Marrakesh Agreement and the Multilateral Trade Agreements that are annexed to it. Therefore, joining the WTO involves adhering to the principles and rules set forth in the Articles of those agreements. In addition, the terms and conditions for accession to be inscribed in schedules and protocol of accession are subject to negotiation and agreement between the aspiring member and the WTO.

### **Terms to be agreed on**

Article XII provides no guidance, either on the terms to be agreed on between the acceding state or separate customs territory and the WTO, nor the procedures to be followed.

The purpose of this provision is to offer a flexible framework for negotiation, to ensure that the "terms" eventually agreed upon are adapted to each individual case of accession when it comes to specific commitments contained in schedules and the protocol of accession. Accordingly, every accession is distinct and worked out individually.

The conditions for entry always relate to the policy framework and the legal and organizational structure of the joining government and thus differ for each accession.

While Article XII does not outline precise steps for the accession process, a series of procedures and practices – giving structure to the process – have been developed by members, with the help of the WTO Secretariat. The main elements of that structure include (i) the examination of the foreign trade regime of the acceding state or separate customs territory, (ii) the negotiation and establishment of a schedule of concessions and commitments to the General Agreement on Tariffs and Trade 1994 (GATT 1994), (iii) the negotiation and establishment of a schedule of specific commitments to the General Agreement on Trade in Services (GATS), (iv) agreement on the report of the working party, and (v) agreement on a Decision and a Protocol setting out the terms of accession.

### **Accession shall apply to this agreement and the Multilateral Trade Agreements annexed thereto**

Article XII (1) provides that "accession shall apply to this agreement and the Multilateral Trade Agreements annexed thereto". Accordingly, when a new member accedes to the WTO, it thereby abides not only by the Marrakesh Agreement itself, but also by the various Multilateral Trade Agreements<sup>2</sup> that are attached as annexes to the Marrakesh Agreement.

Annex 1A (Multilateral Agreements on Trade in Goods) includes the GATT 1994, which establishes principles for the trade of goods among all WTO members as well as other agreements relating to trade in goods. Annex 1B contains the GATS, and Annex 1C includes the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). These multilateral annexes cover core areas of international trade and are binding on all WTO members.

Annex 2 contains the Understanding on Rules and Procedures Governing the Settlement of Disputes, and Annex 3 contains the Trade Policy Review Mechanism. Both are also binding on all members as part of a single undertaking.

Annex 4 contains plurilateral agreements which, while part of the WTO Agreement, are binding only on members that have accepted them. They neither create

rights nor obligations for other members. Currently, Annex 4 contains only two agreements: the Agreement on Trade in Civil Aircraft and the Agreement on Government Procurement.

### ***The Ministerial Conference shall approve the agreement on the terms of accession by a two-thirds majority of the members***

Article XII (2) of the Marrakesh Agreement outlines the process by which decisions on accession to the WTO are made. This paragraph deals specifically with the decision-making aspect related to the approval of the terms of accession for a new member.

The competent organ to take decisions regarding accession is the Ministerial Conference – the highest governing body of the WTO. It consists of all WTO members and typically convenes every two years to discuss various trade-related matters and decide on key issues concerning the functioning of the WTO. During the period between two Ministerial Conferences such decisions have been taken by the General Council as provided for in Article IV:2 of the Marrakesh Agreement.

Although Article XII refers to a two-thirds majority, since 1995 decisions on accession have always been taken by consensus in accordance with WTO practice (Article IX:1 of the Marrakesh Agreement).

## **Preparedness**

Before delving into the accession process phases it is worth mentioning that the preparation for a negotiation is as important, if not more, as the negotiation itself. This requires, (a) building political support, (b) forming a stable negotiating team, (c) crafting a negotiating strategy, (d) understanding rights and obligations arising from accession, and (e) learning from the experiences of others, which are all pivotal steps in this process. By following these steps, aspiring members can enhance their chances of a smooth and successful accession experience.

### ***Building political support***

One of the most vital steps in the path to accession is garnering political support from the relevant stakeholders. The decision to apply for membership should be rooted in a consensus among the key players of the nation. Internal negotiations can often prove to be more challenging than

the external ones with existing members. The need for widespread support among various groups, including government ministries, parliamentarians and private sector representatives, cannot be stressed enough.

For example, from the very beginning, a robust political commitment in Saudi Arabia was evident. The Council of Ministers displayed a strong desire to join the WTO and actively aligned the business environment with WTO agreements to streamline the accession process. Furthermore, royal decrees were promptly issued to accelerate the accession procedure. This commitment remained unwavering throughout the negotiation phase, ultimately resulting in Saudi Arabia's successful accession to the WTO. Additionally, the Council of Ministers remained well-informed about the progress of negotiation at every stage.

Similarly, since its first working party meeting in 2016, Comoros demonstrated strong political commitment to completing its WTO accession process, despite facing significant resource constraints at the time. Jordan, Oman and Yemen, also, emphasized the importance of strong political will and leadership in concluding their accession.

### ***Establishing a stable negotiating team***

A stable negotiating team is considered the backbone of the accession process. Ideally, it needs to be established well before the formal negotiations commence. The composition of this team should be carefully considered, ensuring the inclusion of trade and legal experts and economists. Furthermore, a chief negotiator with a clear negotiating mandate on all aspects of the accession negotiations should lead the team. This ensures a unified and expert-driven approach.

In addition to the primary accession team, it is necessary to establish an inter-agency process. This process brings together stakeholders from various ministries, including those dealing with trade-related issues. The engagement of parliamentarians and the business community is crucial, as their input and support are vital throughout the process. The minister responsible for the accession negotiations – or another relevant high-ranking government official – should ideally head this inter-agency process, providing it with the necessary political weight. In practice, most governments create a National Committee on WTO Accession.<sup>3</sup>

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### **Formulating a negotiating strategy**

A well-defined negotiating strategy is indispensable for successful accession. Before engaging in negotiations, it is crucial to have a clear understanding of the objectives, economic priorities and the interests of both the applicant government and potential trading partners. These strategies should be derived from the domestic reform process and equip the negotiating team to defend its interests effectively.

### **Knowing your rights and obligations**

Accession candidates must possess a comprehensive knowledge of their rights and obligations within the framework of the WTO agreements. Waiting until formal negotiations commence to build this knowledge is a risky approach. Technical assistance can be sought from the WTO as well as from various organizations and member governments, which can help strengthen the technical capacity of the negotiating team. Acquiring a firm grasp of the rules and responsibilities can significantly bolster the applicant's position in the negotiations.

### **Learning from others**

Lastly, learning from the experiences of others who have successfully completed the accession process can provide invaluable insights. Establishing contacts with governments that have previously undergone accession can help identify the challenges and pitfalls to be avoided. This knowledge exchange allows for better preparation and a more informed approach to negotiations.

## **The phases of accession**

The accession process consists of several key elements, each playing a crucial role in determining the economy's eligibility and commitment to the multilateral trading system. It typically spans multiple stages and requires extensive negotiations and engagement with existing WTO members. The aspiring member must in principle be open to negotiate with the entire WTO membership. In practice, only a relatively small subset of the membership actively engages with the applicant in the framework of a WTO accession working party.

Each stage is pivotal in ensuring that aspiring WTO members are not only aligned with the organization's principles but also prepared to contribute to the global trade community effectively.

Simultaneously, bilateral negotiations are conducted with individual interested WTO members to address concerns and requests related to specific market access issues concerning trade in goods and services.

The negotiation process can be lengthy and demanding. It requires the applicant to provide detailed information about their economic policies, trade regime, domestic laws and regulations. Additionally, the applicant is expected to undertake significant domestic reforms to align their trade practices with WTO rules and agreed specific commitments.

These reforms, which encompass broader economic and governance frameworks, such as tariff reduction, regulation of state-owned enterprises, intellectual property protection and the establishment of independent tribunals, can drive meaningful institutional changes, enhancing governance metrics such as non-discrimination, transparency and due process. Notably, economies with weaker institutions tend to experience a stronger growth and investment boost from WTO accession due to the benefits of policy anchoring.

Once the working party is satisfied with the applicant's commitment to WTO rules and principles, and all bilateral negotiations are completed, the terms of accession are finalized. Accordingly, the working party presents its final report containing all elements of the terms of accession to the General Council for approval. Subsequently, the applicant becomes a WTO member 30 days after notification of its acceptance of the agreement.

While the average time of all completed accessions from the date of the establishment of the working party to the date of membership is 10 years and 4 months, the average for Arab members having acceded since 1995 (under Article XII) is 9 years and 3 months.

However, the average duration of the overall accession process for all acceding governments is 18 years and 11 months, while for Arab acceding governments it is 20 years and 6 months in many cases, with intervening periods of stagnation by acceding governments. Table 6 shows the time taken for each phase of the accession of the five Arab members that have completed accession since 1995.

**Table 6: Overview of the time taken for accession for Arab economies having acceded since 1995**

	Comoros		Jordan	
	Date	Time since memo	Date	Time since memo
Application	Feb-07		Jan-94	
Working party established	Oct-07		Jan-94	
Memorandum	Oct-13		Oct-94	
1st meeting of working party	Dec-16	3 years, 2 months	Oct-96	2 years
Draft working party report	Feb-18	4 years, 4 months	Apr-99	4 years, 6 months
Report adopted by working party	Jan-24	10 years, 3 months	Nov-99	5 years, 1 month
Report adopted by Council	Mar-24	10 years, 5 months	Dec-99	5 years, 2 months
Membership	Aug-24	10 years, 10 months	Apr-00	5 years, 6 months
<b>Total time</b>	<b>17 years, 6 months</b>		<b>6 years, 4 months</b>	

Source: World Trade Organization.

Accession to the WTO typically follows a standardized structure, indicated in Figure 2, beginning with the submission of a membership application. Next, the working party is formed, followed by a fact-finding phase. Subsequently, negotiations take place, culminating in the adoption of the Accession Protocol.

Table 7 shows a summary of the accession process of the five Arab member accessions by date of each key step in the accession.

### **Phase 1: Letter of application and establishment of the working party**

#### ***i. Letter of application***

Governments that are not yet members of the WTO have the option of becoming WTO observers before initiating their accession application. However, there is no requirement for them to take this step, and in recent times, aspiring WTO members have shown a preference for bypassing observer status and directly commencing the accession process. In the case of Lebanon notably, the request was withdrawn shortly

after its presentation when an application to accede to the WTO was made (Williams 2008).<sup>4</sup>

The accession process begins with a formal letter of application to the Director-General of the WTO. Therein interested governments must submit a formal application, expressing their intention to join the organization and outlining their trade policies and legislative framework.

Typically conveyed in the form of a letter, this message explicitly states the government's intention to accede to the WTO under Article XII of the Marrakesh Agreement. While there are no strict formatting requirements, clarity is paramount. Some applicants choose to include additional language, such as a request for the application to be shared with all WTO members and to be included on the agenda for an upcoming meeting of the WTO General Council. This initial step sets the formal documentation process in motion.<sup>5</sup>

Following receipt by the Director-General, the Secretariat, on behalf of the chairperson of the

Oman		Saudi Arabia		Yemen	
Date	Time since memo	Date	Time since memo	Date	Time since memo
Apr-96		Jun-93		Apr-00	
Jun-96		Dec-95		Jul-00	
Jun-96		May-96		Nov-02	
Apr-97	10 months	May-96	1 year, 10 months	Nov-04	2 years
Mar-99	2 years, 9 months	Jan-00	5 years, 6 months	Dec-09	7 years, 1 month
Sep-00	3 years, 3 months	Oct-05	11 years, 3 months	Oct-13	10 years, 1 month
Oct-00	3 years 4 months	Nov-05	11 years, 4 months	Dec-13	11 years, 1 month
Nov-00	3 years, 5 months	Dec-05	11 years, 5 months	Jun-14	11 years, 7 months
<b>4 years, 7 months</b>		<b>12 years, 6 months</b>		<b>14 years, 7 months</b>	

General Council, checks if the request would achieve consensus among WTO members before it is placed on the agenda of the General Council. Subsequently, the General Council schedules the accession request for discussion during an upcoming meeting, where it evaluates the application and establishes a working party.

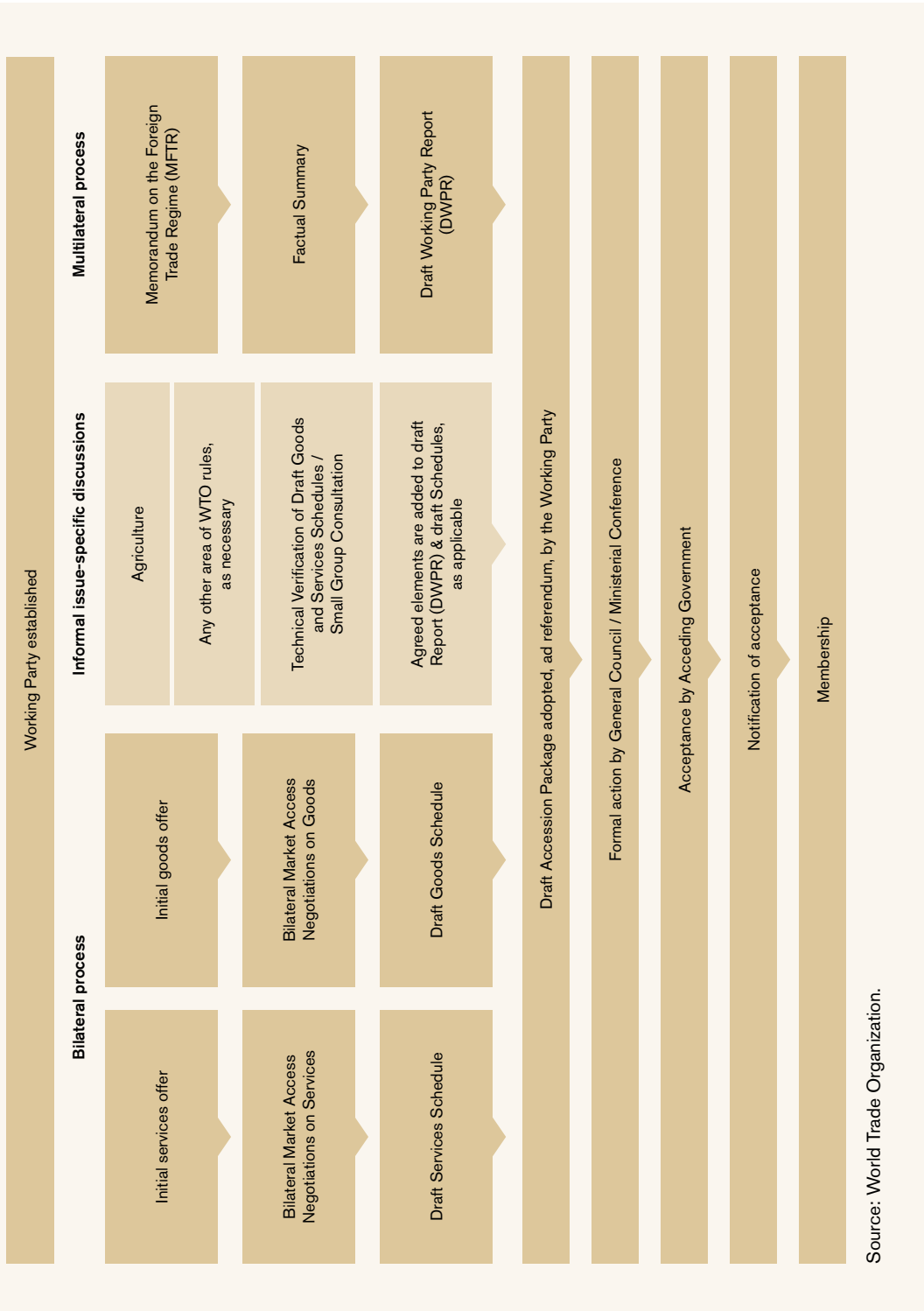
The chairperson of the General Council often extends an invitation to the representative of the applicant government to present an overview of its current trade and economic framework, to provide clarity on the motivations behind the accession application. It is advantageous for the applicant to affirm alignment with WTO requirements or demonstrate active efforts to implement necessary reforms, ensuring compliance with WTO regulations. Governments also emphasize aspects of particular significance to them, such as their economic development status or their transition towards a market-based economy. These discussions shape the initial evaluation of the applicant's readiness for WTO membership. Thereafter, a working party is established.

#### *ii. Establishment of the working party*

The General Council's decision to proceed with an accession request leads to the creation of a working party, tasked with conducting an in-depth investigation of the applicant's trade regime and assessing the extent of its compatibility with WTO rules. The chairperson of the General Council outlines the terms of reference for the working party and invites the applicant government to collaborate with the Secretariat's Accessions Division in preparing the essential documentation required for the working party's consideration. All accession working parties have been given the same terms of reference.

It is important to note that all interested WTO members have the option to join the working party on accession. The composition of these parties can thus vary significantly from one accession to another, but it tends to reflect economic influence and specific interests, rather than representing the entire WTO membership. While not all members actively participate in the work of the working party due to resource constraints, they choose to focus on matters aligned with their primary trade interests.

Figure 2. The WTO accession process in brief



Source: World Trade Organization.

**Table 7. Summary of the accession process for five concluded Arab member accessions**

	Comoros	Jordan	Oman	Saudi Arabia	Yemen
Working party established	09/10/2007	04/10/1995	26/06/1996	21/12/1995	17/07/2000
Working party meeting (first meeting – number of meetings)	02/12/2016 (10)	28/10/1996 (5)	30/04/1997 (6)	03/05/199 (14)	30/11/200 (11)
Memorandum on Foreign Trade Regime	25/10/2013	10/10/1994	29/10/1996	15/05/1996	20/11/2002
Factual summary	26/04/2017	/	12/03/1998	29/10/1998	06/09/2005
Working party draft report (first circulation – number of revisions)	22/02/2018 (6)	08/10/1999 (1)	02/09/1999 (3)	11/01/2000 (6)	14/12/2009 (5)
Number of questions	1,179	929	808	1,218	1,164
Initial goods offer (first circulation – number of revisions)	07/10/2016 (1)	03/07/1998 (0)	29/10/1997 (4)	24/09/1997 (4)	12/09/2005 (3)
Initial services offer (first circulation – number of revisions)	07/10/2016 (1)	07/01/1999 (1)	29/10/1997 (5)	24/09/1997 (2)	17/08/2005 (3)
Membership date	21/08/2024	11/04/2000	09/11/2000	11/12/2005	26/06/2014
Length of accession process	16 years, 10 months	4 years, 6 months	4 years, 6 months	9 years, 11 months	14 years, 2 months

Source: World Trade Organization.

The General Council chairperson designates the working party's chairperson in consultation with both members and the applicant economy. Typically, these consultations are facilitated by the WTO Secretariat, acting on behalf of the General Council chairperson. The formal confirmation of the appointment occurs through an announcement during a General Council meeting or by written procedure via communication by the chairperson of the General Council. The chosen chairperson is typically a resident ambassador in Geneva. While the acceding government may propose names for consideration, the final selection requires the consensus agreement of all WTO members. Lebanon's working party chairmanship was historically assigned to France, whereas Iraq's working party is chaired by Saudi Arabia.

The chairperson's responsibilities within the working party are not formally documented, but it is evident that their role is to guide discussions in a fair and objective manner. Occasionally, they may leverage their position to propose ideas that facilitate these discussions, but their capacity for initiating action is constrained since accession negotiations primarily occur between the working party members and the acceding government.

During crucial phases of the process, both the chairperson and the Secretariat may visit the capitals of acceding countries. These visits have proven instrumental in stimulating and expediting accession proceedings. Such visits consistently involve engagement with high-level government and parliamentary officials, as well as meetings with representatives from the public and private sectors and the media.

### Phase 2: Fact finding

In the initial phase of the working party process, the focus is on gathering factual data about the applicant's trading regime. This fact-finding phase serves two fundamental objectives. First, it aims to identify any necessary adjustments the applicant must make to align its laws, rules and administrative procedures with WTO criteria. Second, it establishes a robust foundation for discussions on market access for goods and services.

The acceding economy kicks off this phase by presenting a comprehensive document known as the Memorandum on the Foreign Trade Regime (MFTR), which meticulously outlines its foreign trade policies, laws, regulations and practices. Upon receiving the MFTR, working party members submit written enquiries to the acceding government seeking clarifications or additional information as needed.

The working party bases its report on the applicant's foreign trade regime by utilizing the MFTR as its cornerstone. Having a comprehensive and precise document greatly simplifies the subsequent stages of the accession process. According to the procedures, the Secretariat may assess the MFTR's alignment with the Outline Format found in Annex I of Procedures for Negotiations under Article XII.<sup>6</sup> In some instances, applicants have been requested to provide additional

information to support their MFTR, or to update their MFTR, before the working party examination can commence.

The MFTR comprises seven major sections, covering all aspects from the economy's overview to international trade policies and legal frameworks. It is a substantial commitment for the acceding government, both in terms of resources and time. Nevertheless, a thorough MFTR constitutes a critical basis for launching discussions in the working party. The detailed and accurate submission of this document eases subsequent steps in the joining procedures. The major sections are as follows:

- Introduction;
- Economy, economic policies and foreign trade;
- Framework for making and enforcing policies affecting foreign trade in goods and services;
- Policies affecting trade in goods;
- TRIPS regime;
- Trade-related services regime;
- Institutional base for trade and economic relations with third countries.

A list of the subjects covered by each of these headings is set out in the annexes of WTO official document WT/ACC/22/Rev.1, here summarized in Table 8. Additional information required for the accession process is set out in Table 9.

**Table 8. Accession documentation requirements**

Type of information	Information required	WTO document reference
General	<ul style="list-style-type: none"> <li>■ Outline format for a Memorandum on the Foreign Trade Regime,</li> <li>■ Statistics and publications,</li> <li>■ List of laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>■ WT/ACC/22/Rev.1, Annex I</li> <li>■ WT/ACC/22/Rev.1, Annex II</li> <li>■ WT/ACC/22/Rev.1, Annex III</li> </ul>
Trade in goods	<ul style="list-style-type: none"> <li>■ Questionnaire on import licensing procedures,</li> <li>■ Customs valuation agreement,</li> <li>■ Technical barriers to trade information,</li> <li>■ Questionnaire on state trading</li> </ul>	<ul style="list-style-type: none"> <li>■ WT/ACC/22/Rev.1, Annex IV</li> <li>■ WT/ACC/22/Rev.1 Annex V</li> <li>■ WT/ACC/22/Rev.1, Annex VI</li> <li>■ WT/ACC/22/Rev.1, Annex VII</li> </ul>
Trade in services	<ul style="list-style-type: none"> <li>■ Services sectoral classification list</li> </ul>	<ul style="list-style-type: none"> <li>■ WT/ACC/22/Rev.1, Annex VIII</li> </ul>
Foreign trade agreements	<ul style="list-style-type: none"> <li>■ List of foreign trade agreements</li> </ul>	<ul style="list-style-type: none"> <li>■ WT/ACC/22/Rev.1, Annex IX</li> </ul>

Source: World Trade Organization.

**Table 9. Supplementary documentation required for accession**

Type of information	WTO document reference
Domestic support and export subsidies in agriculture	WT/ACC/22/Add.1
Technical barriers to trade, Sanitary and phytosanitary, Agreement on Trade-Related Aspects of Intellectual Property Rights, Industrial subsidies	WT/ACC/22/Add.2

Source: World Trade Organization.

Furthermore, the applicant must engage in written question-and-answer sessions with interested WTO members. These sessions aim to clarify the intricacies of the applicant's foreign trade regime. The questions cover various aspects of the MFTR and help in identifying areas of potential concern or disagreement. These discussions pave the way for the evaluation of the applicant's compliance with WTO criteria.

**iii. Working party examination of applicant's trade regime**

Only once the solid factual foundation of the MFTR and written questions and answers are submitted, the working party convenes its first meeting. During this initial meeting, the applicant introduces their case, outlining their trade and economic framework and expressing their expectations.

The working party's main objective during this phase is to delve into the MFTR, its accompanying documentation, and the questions and answers. The aim is to seek further clarifications where necessary, particularly regarding compliance with the WTO Agreement and Multilateral Trade Agreements. The working party might convene several meetings before concluding the evaluation of the MFTR.

This stage involves separate evaluations of each subject within the MFTR, examining relevant legislation and regulations. The process may also require additional consultations and informal meetings with the applicant, working party members and the Secretariat to ensure a smooth transition to the subsequent phases.

As the fact-finding process unfolds, potential areas of disagreement with WTO agreements gradually emerge. To maintain transparency and facilitate discussions, an informal document, called the Factual Summary of Points Raised, is often requested from the Secretariat to summarize the discussions within the working party and to highlight established and pending issues. Ultimately, this document lays the groundwork for the future draft working party report, which will include commitments the applicant must accept alongside factual information.

**Phase 3: Negotiations**

Once the factual basis has been established, the working party moves forward to discuss the conditions of accession. Governments aspiring to join the WTO commit to adhering to its rules and regulations. See Table 10 for recently acceded Arab members.

In the working party, negotiations on general rules pertaining to the WTO agreements are conducted on a multilateral basis. These negotiations are critical, as the commitments established within the working party are expected to be followed by the acceding governments and will be enforceable under the WTO Dispute Settlement Understanding.

Negotiating the terms of accession is a multifaceted process involving different stages. First, multilateral negotiations within the working party focus on the rules the applicant must accept. In addition, on some occasions members and the acceding government may discuss draft commitment language in bilateral or even plurilateral settings among interested parties.

**Table 10. Accession in numbers: completed accessions**

Recently acceded Arab member	Length of accession process	Number of Working Party meetings held	Number of documents issued	Number of questions replied to	Number of legislations submitted to Working Party
Comoros	17 years, 6 months	10	84	1,179	157
Jordan	6 years, 3 months	5	53	929	52
Oman	4 years, 5 months	6	52	808	55
Saudi Arabia	12 years, 5 months	14	98	1,218	95
Yemen	13 years, 11 months	11	98	1,164	58

Source: World Trade Organization.

#### **iv. Negotiation of rules**

Rules negotiations often take place within the multilateral setting of the working party. Here, governments are encouraged to update and adapt their strategies as the accession process progresses. This typically entails the preparation of legislative action plans to address specific issues, ensuring alignment with WTO agreements. Interested members may even request draft legislation to be supplied, a practice aimed at preventing legislative revisions that could later be rejected on non-compliance grounds.

The negotiation process typically commences when working party members submit suggested texts for inclusion in the draft report. Progress in other negotiation areas, such as bilateral goods and services discussions, is considered in this decision-making process. The final text for inclusion in the working party report encompasses commitments that the acceding government is willing to accept regarding trade rules.

Additionally, informal consultations and discussions take place within subgroups of working party members interested in specific topics, such as agricultural support and export subsidies. In some instances, other issues like sanitary and phytosanitary (SPS), technical barriers to trade (TBT), or even the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) may also be addressed.

#### **v. Negotiations on agricultural support and export subsidies**

Negotiations on agricultural support and export subsidies are a significant part of some WTO accession negotiations. These discussions rely on factual information provided by the applicant in the form of WTO documents and supporting tables containing data on domestic support and export subsidies. The tables are subject to continuous revisions to address member concerns effectively. Given the systemic importance of this information, discussions typically occur in informal meetings with interested WTO members.

The Secretariat facilitates these discussions. The final tables serve as the foundation for commitments related to Total Aggregate Measurement of Support and Export Subsidies in Agriculture in the Schedule of Concessions and Commitments on Goods.

#### **vi. Negotiation of tariff concessions**

The applicant engages in bilateral discussions with interested working party members regarding the terms to be agreed on market access commitments for goods and services. Negotiations cover a range of issues, including tariff bindings for goods. It also covers specific services commitments under the GATS on national treatment and market access. Negotiations also address exemptions from the most-favoured nation (MFN) provision to be listed in the relevant Annex to the GATS.

The negotiation of tariff concessions is a critical aspect of the accession process, focusing on trade in goods. Bilateral negotiations based on offers and requests are conducted to discuss tariff concessions. While either the applicant or members can initiate these negotiations, it is customary for members to wait until the acceding government submits an initial offer of suggested bound rates.

Early offers on tariffs are frequently submitted between the first and second working party meetings. The simultaneous submission of offers for both goods and services would enable the acceding government to engage in parallel negotiations with interested members, potentially facilitating progress in the negotiations.

Bilateral negotiations on tariffs usually coincide with working party meetings. Negotiations may vary in intensity, depending on the quality of offers and the complexity of the issues. Bilateral agreements are signed between the parties involved and an original signed and initialed copy is deposited with the Secretariat, forming the basis for the creation of a consolidated draft Goods Schedule.

The draft Schedule – comprising the results of all signed bilateral agreements – is then distributed to all signatories for review and verification, ensuring that concessions accurately reflect individual negotiations with the acceding government. The final agreed tariffs for non-agricultural products for the five most recently acceded members are shown in Table 11.

**Table 11. Tariff commitments for non-agricultural products for Arab members having joined the WTO since 1995**

Member	Average final bound rates, %
Comoros	19.3 (9.8) <sup>7</sup>
Jordan	15.2
Oman	11.6
Saudi Arabia	10.5
Yemen	20.5

Source: World Trade Organization.

### **vii. Negotiation of specific commitments on services**

Negotiating specific commitments on services mirrors the processes for tariff negotiations, relying on offers and requests. These negotiations typically begin following a multilateral evaluation of the applicant's services regime.

The process commences with the multilateral circulation of the applicant's initial offer, which is structured in line with all GATS Schedules. Interested members engage in bilateral conversations with the applicant, aiming to align commitments with their expectations and requests and to understand the applicant's viewpoint.

Negotiations on services and tariffs often occur concurrently, with some members urging the applicant to broaden the scope and quality of their offers. The number of negotiating rounds is influenced by the applicant's willingness to accommodate members' requests.

Once bilateral agreements have been reached, the Secretariat compiles them into a draft Services Schedule, reflecting the least restrictive commitment in cases where multiple commitments have been made in a given sector. The draft is then reviewed by all signatories to ensure alignment with GATS requirements and the outcomes of bilateral negotiations. The agreed commitments for services can be found in Table 12.

**Table 12. Services-specific commitments for Arab members that joined the WTO after 1995**

Member	No. of services subsectors
Comoros	107
Jordan	110
Oman	98
Saudi Arabia	120
Yemen	78

Source: World Trade Organization.

#### Phase 4: Concluding negotiations and adoption of the accession protocol

All agreements need to be multilateralized before inclusion in the accession package. The package comprises the draft Report, including a draft Protocol and Decision, and the draft Goods and Services Schedules. While Figure 3 shows the frequency of commitments for the first four Arab members that acceded to the WTO after 1995, Table 13 shows a summary of Arab members accession market access outcomes on goods and services.

Upon completion of the working party report, it is presented before the General Council, marking a decisive step towards the applicant's formal accession. The working party chairperson introduces the report, offering the applicant's representative an opportunity to address the Council. The Council, comprised of WTO members, acknowledges the conclusion of negotiations.

The General Council then proceeds with the formalities, which include:

- i. Approving the text of the draft Protocol of Accession;
- ii. Adopting the draft Decision on Accession, adhering to the Decision-Making Procedures outlined in the WTO Agreement;
- iii. Adopting the working party's report in its entirety, including the schedules of goods and services appended as Addenda 1 and 2, respectively.

#### vii. Invocation of Article XIII of the WTO

Article XIII of the WTO Agreement (Non-application of Multilateral Trade Agreements between particular members) occasionally plays a role in the accession process. This provision allows members or the acceding government to notify the General Council – prior to the approval of the terms of accession – that they do not consent to the application of WTO rules between one another.

This mechanism has been invoked 12 times in the history of the WTO, with 10 invocations subsequently withdrawn. Only two invocations remain in force.

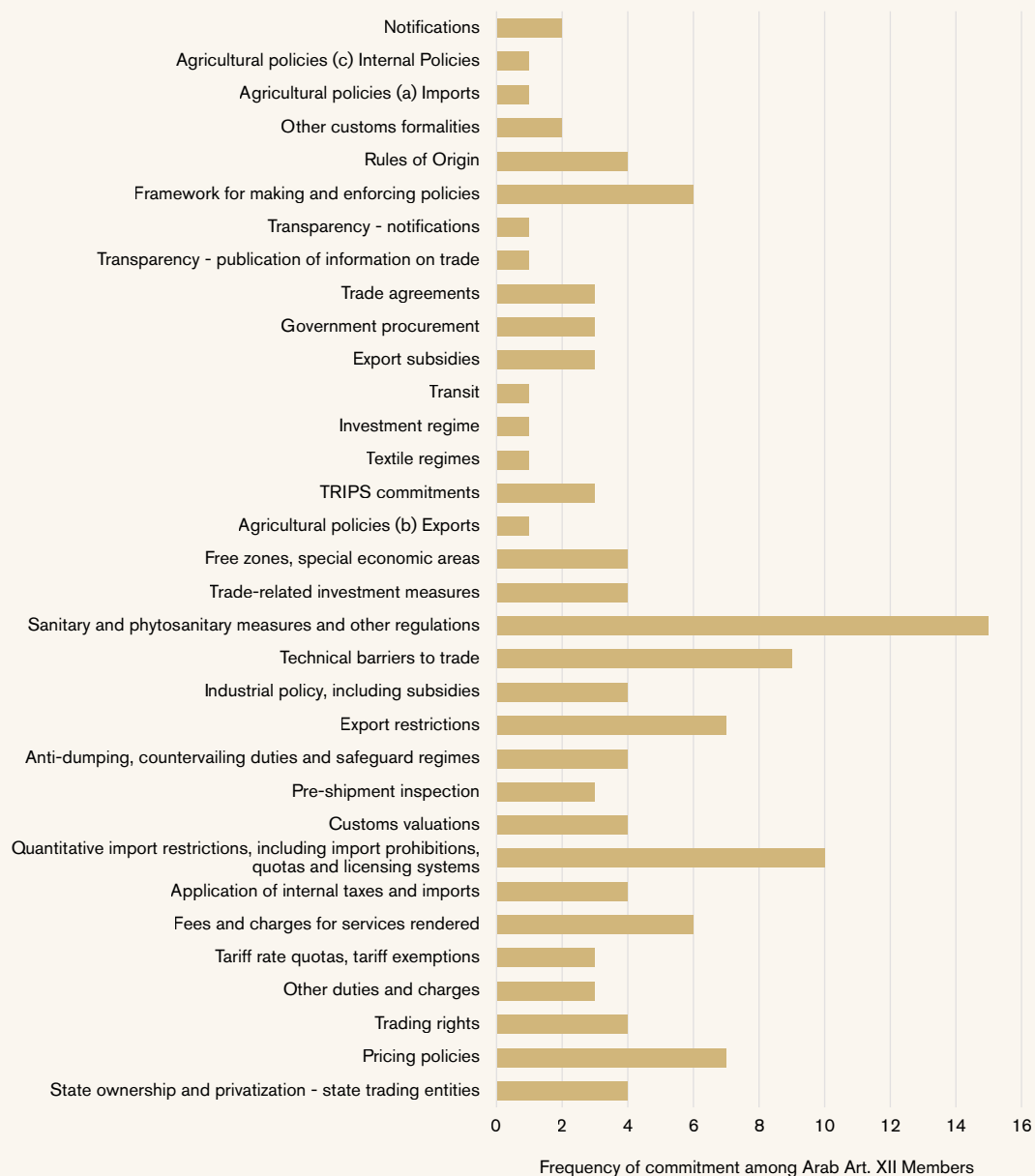
**Table 13. Summary of accession market access outcomes on goods and services for Arab members that acceded after 1995**

Arab members	Date of membership	Binding coverage (%)	Average final bound rate (%)			Number of services commitments
			All products	Agricultural products	Non-agricultural products	
Comoros	21/08/2024	100	19.6 (10.9)*	21.6 (17.4)*	19.3(9.8)*	107
Jordan	11/04/2000	100	16.3	23.6	15.2	110
Oman	09/11/2000	100	13.7	27.7	11.6	97
Saudi Arabia	11/12/2005	100	11.4	17.3	10.5	120
Yemen	26/06/2014	100	21.1	24.9	20.5	78

Source: World Trade Organization.

Note: \*In the event that Comoros implements the Common External Tariff (CET) of COMESA, Comoros will further reduce its bound tariff rates as specified in an annex of its Goods Schedule. The average final bound rate after COMESA CET implementation is shown in parenthesis.

**Figure 3. Frequency of commitments of Arab members having acceded after 1995 (excluding Comoros)**



Source: World Trade Organization.

## Challenges faced and solutions found throughout the accession process

### Five Arab members that have acceded since 1995

Acknowledging the underrepresentation of the Arab region within the WTO and considering the experiences of the five Arab economies (Jordan, Oman, Saudi Arabia, Yemen and Comoros) that have become members since the creation of the WTO in 1995, it is crucial to identify the primary challenges faced by governments seeking accession in the Arab world. These challenges encompass not only the diversity of policy contexts but also the hurdles encountered throughout the accession process. The aim here was to leverage this understanding to enhance the design of technical assistance for aspiring Arab acceding governments. The challenges encountered by the five Arab members during their accessions journey were categorized using a questionnaire (see Annex II).

The first category identified the primary challenges associated with trade and economic aspects that were encountered throughout the accession procedure. These challenges encompass various areas, including exchange rate and monetary policy, technical regulations (such as TBT, SPS and others), tariff adjustments, import regime, reforms related to services trade, such as financial, telecommunications, information technology services, transportation, distribution, energy, tourism, professional services, and so forth.

The main trade-related challenges are tariff reform and technical regulation. Responses to the questionnaires revealed that some of the WTO commitments posed challenges to monetary and financial policies, such as the amendment of tax laws and the customs tariff, removing subsidies and controlling expenditures, as in the case of Jordan. Some difficulties were encountered in domestic reform and in preparing sectors for global competition, especially services sectors, as was seen with Saudi Arabia and Jordan.

Moreover, Jordan indicated difficulties in amending legislation related to agriculture to ensure the safety of food, plant and animal products. Saudi Arabia also indicated the challenge of unifying regulations. Oman on the other hand indicated that it did not face burdensome challenges, even though it did not benefit from the favourable treatment for developing economies requiring that all legislation be in place prior to accession, with just a few exceptions related to TBT and SPS. Yemen highlighted the impact of the international financial crisis in 2008 on the economy as a whole, at that time.

The second category of primary challenges encountered during the process encompassed issues that were unrelated to trade. These challenges could be associated with non-trade regulatory reforms or both internal and external political obstacles. The most reported challenge was the absence of open dialogue and effective communication among pertinent stakeholders to establish a lasting institutional communication channel. Yemen highlighted the major challenge of being confronted with conflicts and political instability, which negatively impacted its economic development and consequently led to delays in the accession process.

The third category pertains to the phases of the process where progress was slow and the primary reasons for these delays. The responses revealed that the accession process was accomplished through multiple rounds of negotiations, with intensified meetings aimed at reaching agreement on commitments related to market access for both goods and services.

For instance, Jordan successfully completed its negotiations through a series of five negotiating rounds. During these rounds, the Jordanian team dedicated to the accession process held extensive negotiating sessions with members, focusing on issues such as customs duty reductions, liberalization of trade in services, protection of intellectual property rights, import-export procedures, and so on. In contrast, Oman stood out as one of the economies to conclude its accession to the WTO in a short time period, achieving this milestone in less than five years.

Given the valuable insights gained from the experiences of the accession processes of the five Arab members that have joined since 1995, it was imperative to include a section in the questionnaire dedicated to solutions and policy recommendations. This section aimed to offer precise guidance that could be shared with the present Arab governments seeking accession. The responses to the questionnaire in this regard offered explicit and concrete recommendations, which are as follows:

- Having strong political will is a crucial factor for achieving swift and successful WTO accession.
- Maintaining well-established communication channels and conducting regular consultations among stakeholders is essential for the ongoing analysis of the amendments' impact on the economy.
- The presence of permanent and institutional coordination channels is vital to prevent redundant efforts and maintain progress in the accession process.
- Aligning the business environment with WTO agreements is a valuable step to streamline the accession process.
- It is imperative to have a highly experienced and well-informed chief negotiator, along with a skilled negotiating team, who remain largely unchanged for the duration of the process, to ensure prompt decision-making on negotiation matters and to maintain a cohesive negotiation process.
- Spending a full year as an observer before formally applying for membership is advisable to become well-acquainted with WTO rules and procedures.

### **Current Arab acceding governments**

The challenges and difficulties faced by the five Arab members that acceded to the WTO after 1995, during their accession processes, provide useful guidance for the seven current Arab acceding governments, to accelerate the pace and lead the way in their negotiations. Algeria, Iraq, Lebanon, Libya, Somalia, Sudan and Syria are currently negotiating membership

and have been in the process for over 18 years; some of these governments have been inactive for many years.

For the current Arab acceding governments, the challenges faced throughout the accession process can be grouped into the same categories as presented for the five Arab members that have acceded since 1995, as seen in their responses to the questionnaire.

#### ***a. Challenges related to trade and the economy***

##### ***i. Challenges related to tariff reforms and other import regime reforms***

Before applying for accession to the WTO, Sudan implemented a tariff reform which brought down the maximum rate of import duties from 100 per cent to only 40 per cent, the minimum rate from 5 per cent to 0 per cent, and the simple average rate of tariffs from more than 100 per cent to 20.3 per cent. The main challenge Sudan is facing regarding tariff reforms during accession is to maintain the current level of tariff liberalization and comply with the locked-in principle, since – as an LDC – it heavily depends on tax revenues for its budget finance. There is always pressure to increase tariff rates in order to increase revenues.

The solution was to apply internal taxes such as value-added tax (VAT) and excise taxes on imported goods rather than increasing import duty rates, on the condition that they should be consistent with GATT Article III (National Treatment). Regarding import regime reform challenges, Sudan indicated that the successive depreciation of the exchange rate of the local currency since the late 1970s had not increased Sudanese exports, nor decreased imports because both exports and imports were affected by structural problems. Lebanon faced the same problem. In 2000, the Lebanese Government introduced VAT and lowered the levels of tariffs to an average of 5.85 per cent.

##### ***ii. Challenges related to non-compliance of some national laws and regulations***

Algeria faced a significant hurdle in the form of its national laws and regulations not aligning with the rules and principles of the WTO. The non-compliance had

direct and indirect ramifications on various economic factors, including foreign direct investment (FDI), export and import regulations, monetary policy, monetary reserves and exchange rates. In Lebanon the alignment of laws and regulations with the international trade regime led to positive legislative reforms that benefitted the economy, but the journey to amend these laws and regulations was arduous and protracted. The process required international consultations involving both the private and public sectors.

**iii. Challenges encountered through the reform process of the services sector**

Algeria, Iraq and Sudan encountered challenges regarding trade in services reforms due to the absence of a single unified body or entity responsible for regulating the service sectors, a common challenge faced by others. This challenge became particularly evident with ongoing services negotiations within certain regional agreements and initiatives, such as the Common Market for Eastern and Southern Africa, League of Arab States, African Continental Free Trade Area, and tripartite agreements. Additionally, the laws and regulations pertaining to trade in services were found to be lacking in comprehensiveness and did not demonstrate adequate interconnectedness with other regulatory frameworks.

To address this issue, Sudan made efforts to establish a dedicated department for trade in services, operating under the supervision of the Ministry of Trade and Supply. This department's primary role was to coordinate policies related to service sectors and facilitate the necessary amendments and compliance with relevant obligations.

**iv. Technical regulations challenges**

One of the main trade and economic challenges faced by Iraq and Sudan during the accession process is related to technical regulations such as TBT and SPS, among other measures. Moreover, another interrelated challenge are the disagreements between the competent government authorities because of overlapping mandates and functions, especially those related to technical regulations and coordination of commitments.

**v. Challenges related to limited diversification**

Lebanon's economy is heavily reliant on services and remittances from the diaspora, with limited diversification in terms of export products and markets. This makes it very challenging to compete effectively in international markets and to fully benefit from WTO membership. Other Arab acceding governments also face the same challenge of economic diversification, be it in different sectors. They need to effectively achieve progress on this front to be able to benefit from the export opportunities to be secured through accession.

**vi. Challenges related to exchange rate and monetary policy**

Sudan faces inconsistent fiscal and monetary policies as well as unstable exchange rates that are affecting FDI, eroding investor confidence and dissuading potential investment given the volatile financial environment. Another bottleneck area is the positive correlation between exchange rates and international trade flows, as a predictable exchange rate is considered to be an enabling factor for expanding trade. As for Sudan's exchange rate, instability emanates from its current account deficit originating from a significant deficit in the trade balance and a fiscal deficit, leading to exchange rate distortions.

On the other hand, Sudan witnessed a prolonged period of an overvalued exchange rate, which negatively affected exports and imports. Another problem faced by the Sudanese economy is the management of monetary policy during the accession process to the WTO and full interaction with international markets. One of the major difficulties in the implementation of monetary policy is the fiscal dominance that jeopardizes the autonomy of the central bank and negatively affects the performance of monetary policy, exchange rate, inflation rate and the consequent stability of prices. Algeria also referred to challenges related to exchange rates, monetary policy and balance of payments fluctuations.

### **vii Challenges encountered with high debt levels and unemployment**

The high debt-to-GDP ratio limits a government's ability to invest in infrastructure and other areas needed for economic growth. Also, the higher the unemployment rate, particularly among young people, the lower the potential for economic growth and development. Lebanon suffers from both challenges, affecting the accession process negatively.

### **viii. Challenges correlating with financial and banking sector capabilities**

Accession to the WTO will expose the financial and banking sectors to strong international competition. In Sudan, banks and other financial institutions are lagging in terms of quality and efficiency of services providing credit for the private sector and foreign currency reserves. Other Arab acceding governments face the same needs for an efficient and solid financial sector that can support economic growth and development.

### **b. Challenges unrelated to trade (political instability and conflicts)**

Many Arab economies undergoing accession have faced overlapping non-trade challenges that have significantly constrained reform momentum.

Periods of heightened insecurity and external economic shocks have redirected government priorities toward short-term stabilization and security spending, narrowing fiscal space for long-term economic and trade reforms. Political fragmentation, frequent government changes, and electoral cycles have further delayed the adoption of key trade-related legislation and weakened policy continuity.

These pressures have often been compounded by broader economic crises marked by high inflation, currency depreciation, elevated public debt, and rising poverty, alongside social strains linked to refugee inflows. At the same time, outdated infrastructure, weak institutional capacity, and limited administrative coordination have undermined effective policy

implementation, while sanctions, regulatory restrictions, and limited access to international financial systems in some cases have constrained investment, technology transfer, and integration into global markets.

## **Solutions found throughout the accession process**

The current Arab acceding economies propose the following useful insights, solutions and recommendations through their responses to the questionnaire:

- Overcoming the challenges will require significant reforms and developments in institutions, infrastructure and economic diversification. The WTO accession process can help to identify areas where reforms are needed and to access technical assistance and support to address these challenges. As the challenges are complex and interconnected, this will require sustained effort and cooperation by all concerned sectors.
- Continuous coordination with legislative authorities to accelerate the adoption of related federal draft laws such as laws on intellectual property rights (IPR), technical regulations and public health, as well as updating laws and regulations as needed.
- Adaptation and conformity of national legislation and laws in connection with the rules of the WTO, international agreements, as well as the conclusion and signing of bilateral agreements with members of the WTO.
- Adopting automated administrative systems across different fields.
- Monetary policy should address the current account deficit by devaluing the nominal exchange rate within a managed float exchange rate regime. In addition, it is vital to introduce some improvements to monetary policies to ensure their suitability for facing economic growth and development challenges.
- A comprehensive reform programme to improve the financial sector and to contribute positively to the overall macroeconomic situation. Implemented reforms may assist in eliminating some current

problems that financial institutions face in dealing with international trade and may lead to an effective engagement of financial institutions in international markets.

- Increase in public awareness of relevant issues for the WTO accession process, and the involvement of all actors in this process including public and private sectors as well as civil society.

## Technical assistance and capacity-building needs during the accession process

### The experience of the five Arab members having acceded after 1995

To provide better technical assistance for the current Arab acceding governments, it is useful to refer to the experience of the five Arab members that acceded since 1995 (Jordan, Oman, Saudi Arabia, Yemen and Comoros).

The main technical assistance and capacity-building needs requested during the accession process by the five members to achieve full compliance with WTO agreements included:

- Strengthening technical capacity building in the following areas: trade facilitation, trade negotiation skills, customs valuation agreement, simplifying customs tariff and procedures, SPS, TBT, effective and efficient utilization of trade remedies. Harmonization of this legislation and procedures to comply with the WTO which represents best practices and provides a common framework for global trade.
- Developing and implementing trade policies in the areas of competition policy, IPR issues and modernization of IPR laws and regulations, e-procurement and warehouse management, translation of WTO agreements into Arabic, a regional information exchange centre, and development of standardization, testing and quality infrastructures. For instance, the World Intellectual Property Organization (WIPO)

provided valuable technical assistance in drafting new IPR legislation and bringing Oman's existing trademark and copyright laws into conformity with WTO requirements.

- Strengthening the start-up and development of small and medium-sized enterprises (SMEs); strengthening systematic vocational training, enhancing SMEs' competitiveness in exports and supply chains particularly in the agriculture sector, enhancing the use of renewable energy by industries and supporting food security programmes. This is especially important for small economies like Comoros, which are highly dependent on food imports and remain vulnerable to climate and economic shocks that expose the country's agriculture sector to instability.
- Improving public awareness and developing a wider culture in the areas of IPR and trade facilitation.
- Upgrading international expertise in the preparation and adoption of standards, creation of legislative and institutional frameworks towards better business environments and promotion of investment, developing modern customs systems, and attaining good manufacturing practices. Mechanisms for increasing and sustaining public awareness campaigns, including among the private sector, during the accession process through national meetings and workshops regarding accession to the WTO as well as publishing reports for the public on progress made.

### Currently acceding governments

The internal reforms carried out by the currently acceding governments had significant and positive impacts on developing their economies and diversifying national production. The acceding governments recommend that the WTO should commit itself to its mission of identifying areas where reforms are needed and assessing technical assistance and capacity-building needs to ensure they can be provided in a sustainable and long-lasting manner.

Regarding priorities determined by Iraq to assess its need for technical support in view of the accession process, it has cooperated with international organizations in the following ways:

- Conducting separate and specialized workshops organized by the Arab and International Monetary Funds.
- Cooperating with the International Trade Centre (ITC), under the “Strengthening the agriculture and agri-food value chain and improving trade policy” (SAAVI) programme. This project, funded by the European Union (EU), focuses on strengthening the trade policy framework, supporting the WTO accession process, economic policy formulation, institutional capacity building, and awareness raising.
- Cooperating with the Islamic Development Bank (IsDB) and United Nations Trade and Development (UNCTAD) through the Joint UNCTAD/IsDB project to support Iraq in trade policy reform and trade negotiations. The specific goal of the project is to support trade policy reforms and to enhance trade-related institutional frameworks, including in relation to Iraq’s accession process.
- Cooperating with UNCTAD (2013–2016) in a capacity building project which focuses on trade policies and building the negotiating capabilities of the Iraqi negotiating team, in addition to cooperation with regard to trade in services.

The Government of Algeria carried out an assessment of its technical assistance needs regarding the Trade Facilitation Agreement in 2010, in cooperation with the WTO Secretariat, under the title “Self-Assessment of Needs and Priorities”. The Government previously submitted requests for support to meet its technical assistance needs addressed to the WTO, IsDB, WIPO and UNCTAD.

This assistance is provided by organizing a set of training courses for government officials related to the accession file on various related topics (a workshop on the TRIPS Agreement and on the SPS and TBT agreements), in addition to some requests related to the technical aspects of the Algerian accession file. All of the technical assistance provided was effective in the field of competence of each authority, as it contributed to improving the job performance of government officials and enabled them to follow up the accession file efficiently, especially the technical issues.

Lebanon’s case is unique, especially with the challenges faced by a shortage of human capital in public sector institutions and lack of technical skills. Since 2000, Lebanon has benefitted from various technical assistance programmes, projects, workshops, training courses and seminars offered through different institutions and organizations including the United Nations Development Programme (UNDP), WTO, Arab Monetary Fund (AMF), the United States Agency for International Development (USAID), the EU and the United Nations Economic and Social Commission for West Asia (ESCWA). The Government of Lebanon did not conduct a technical assistance and capacity-building needs assessment study for the accession process. The most structured series of projects were provided by UNDP and USAID throughout Lebanon’s accession process.

UNDP has been working with the Lebanese Ministry of Economy and Trade (MoET) for 20 years to support Lebanon’s accession to the WTO among other economic policy files. The WTO Unit was first established through the project in 2000. Some of UNDP’s contributions to the WTO accession process have been:

- Policy support: supporting the MoET in developing and implementing policies related to WTO accession, including improving the business environment, strengthening trade-related institutions, and promoting regional and international trade.
- Outreach and stakeholder engagement: working with the MoET to engage with stakeholders, including the private sector, civil society and other government agencies, to promote understanding and support for WTO accession.
- Capacity building: providing technical assistance to the MoET to help build its capacity to negotiate and implement WTO agreements. This has included training on trade policy, research and analysis, legal issues and negotiations.

PricewaterhouseCoopers and the Services Group implemented a technical assistance project in May 2000 with the aim of assisting the MoET in drafting the MFTR. A second USAID-funded technical assistance project related to Lebanon’s WTO accession efforts

was initiated in June 2003 and ran until October 2007. During this phase, the project assisted in the preparation of background documents for working party meetings including the goods and services offers, drafting and translating legislation, and awareness raising.

From November 2007 to November 2012, another series of projects was implemented to assist the Government of Lebanon in the WTO accession process and to support USAID Lebanon's Assistance Objective 2 (AO2) – Economic Growth. The four core task activities were providing technical support for WTO accession, assisting in the implementation of key reforms, building institutional capacity and building public support for WTO accession.

In the case of Sudan, a "Capacity Building for Trade Negotiations: WTO Accession – A Model Framework" was adopted, which aimed to provide a conceptual "model framework", looking at the case of WTO accession negotiations. It was prepared in the context of a pilot project to assist Sudan in its accession to

the WTO but is designed as a universally applicable high-level framework, to be adapted to the relevant circumstances as appropriate. Sudan conducted a round table meeting in June 2021 with donors and development partners where the National Secretariat for WTO Affairs presented technical assistance and capacity-building needs prepared by all the stakeholders.

During 2017–2018 Sudan received technical assistance funds from China and Japan, implemented through the ITC. These funds were used to translate some Sudanese laws from Arabic to English and to organize specialized workshops on SPS and TBT, trade remedies, industrial design, a public private dialogue workshop, trademarks and cotton, and services. These workshops were very beneficial and considerable numbers of officials from relevant authorities were trained. Recently, it approved the enhanced integrated framework of the Sudan Tier I project<sup>8</sup> and currently is working on the national implementation arrangements which includes training and capacity-building activities for the public and private sector.

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## Endnotes

1. Examples of separate customs territories: Chinese Taipei; Macao, China; Hong Kong, China.
2. Agreements contained in Annexes 1, 2 and 3 of the Marrakesh Agreement are Multilateral Trade Agreements binding on all members and treated as a single undertaking.
3. In Yemen, domestic coordination and consultative mechanisms were made possible through the establishment of the National Committee on Trade Facilitation (NCTF) by Ministerial Resolution No. 12 of 2021, which included all government agencies and active representatives of the private sector. The Lebanese Government by the virtue of Council of Ministers decision No. 28 dated 26/5/1999 established the National Committee to prepare Lebanon for accession to the WTO. The National Committee is presided by the Minister of Economy and Trade and membership of the Director Generals of all relevant ministries and institutions as well as the Governor of the Central Bank. It also includes representatives from the private sector i.e. the Chambers of Agriculture, Industry and Trade, and the Lebanese Industrialists Association, among others.
4. Lebanon's request for observer status can be found in WTO official documents WT/L/283 and WT/GC/M/32, which were withdrawn and replaced by a request for accession: WTO official documents WT/ACC/LBN/1 and WT/GC/M/40.
5. Lebanon was one of the 33 founding members of the GATT in December 1948. However, Lebanon withdrew from the GATT on 29 December 1951 and denounced the GATT agreement. The reason behind this decision, as per the communication received from the Minister of Foreign Affairs of Lebanon was "owing to the necessity of readapting Lebanon's economic relations with other countries". On 29 December 1994, the Permanent Mission of Lebanon to the United Nations in Geneva sent a note verbale to the GATT expressing Lebanon's willingness to re-join the GATT. In February 1999, Lebanon submitted its request to join the WTO according to Article XII of the Marrakesh Agreement.
6. WTO official document WT/ACC/22/Rev.1. Accession to the World Trade Organization. Procedures for Negotiations under Article XII; Note by the Secretariat.
7. In the event that Comoros implements the Common External Tariff of COMESA, Comoros will further reduce its bound tariff rates as specified in an annex of its Goods Schedule.
8. The Enhanced Integrated Framework (EIF) Tier 1 project is funded by the EIF, a multi-donor global partnership working closely with governments, development organizations and civil society to assist least-developed countries (LDCs) use trade as an engine for development and poverty reduction.

# 3

SECTION

## Post-accession impact assessment for members having acceded since 1995

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Vineyards around Kafraya, in the Bekaa Valley, Lebanon.

## Main post-accession challenges faced by Arab members which have acceded since 1995

Concluding accession to the WTO marks a turning point for an acceding government. Once accession negotiations are concluded and the economy or state becomes a member of the WTO, it embarks on an effort to implement new legal obligations that affect all sectors of the economy. This has been the case of the five Arab governments which acceded under Article XII of the WTO Agreement. Jordan became a member on 11/04/2000, Oman on 9/11/2000, Saudi Arabia on 11/12/2005, Yemen on 26/06/2014 and Comoros on 21/08/2024.

Despite differences in the length of their accession processes, the types of obligations and commitments undertaken by the five members bear a lot of similarities in terms of the reforms they entail. Many such reforms involved legislative and regulatory amendments, while others involved institutional changes. The five members encountered numerous challenges that reflect the complexities associated with aligning domestic policies and practices with international trade standards.

In broad terms, and in addition to the elements referred to in Section 2, examples of post accession challenges faced by the Arab members that have acceded since 1995 include:

- Reviewing and amending laws and regulations to comply with WTO obligations. Such a process covers a wide range of regulatory frameworks relating to cross-border goods trade and all services sectors covered by the General Agreement on Trade in Services (GATS), as well as laws, regulations and enforcement procedures protecting intellectual property rights. This also covers certain aspects of cross-cutting regulations related to investment, competition and labour as they relate to services trade.
- Establishing mechanisms to ensure continued compliance with WTO obligations within government structures to guarantee that ongoing policy-making and related regulatory activities are consistent with WTO rules and commitments. This also includes, where necessary, the establishment of specialized units or departments to handle WTO-related matters.
- Maintaining domestic procedures (judicial, arbitral, or administrative tribunals) for the independent and impartial review of administrative decisions, at the request of a private market operator (e.g. a service provider).
- Complying with WTO transparency and notification obligations as required by different agreements relating to trade in goods and services. The collection, processing and timely submission of such notifications requires organizational structures and trained personnel to ensure that obligations are met.
- Building capacity within government agencies and training personnel on policy and regulatory matters related to WTO agreements. In some cases, this includes specialized training related to certain agreements or sectors of the economy. Building such a human resource base goes a long way to ensuring understanding of obligations and compliance therewith.
- Maintaining and nourishing the negotiating capacity developed during the accession negotiations to ensure effective participation as a member in ongoing work. This includes participation in the daily work of WTO regular bodies as well as in rule-making negotiations.
- Fostering effective inter-agency coordination to guarantee effective trade policy management and regulatory consistency. This involves the establishment of consultative mechanisms across a wide range of government agencies responsible for different sectors of the economy. This is necessary to guarantee that government policies and measures are domestically coherent and consistent with WTO obligations.

- Consulting with stakeholders in the private sector is also necessary, particularly with private agencies with delegated regulatory responsibilities, such as professional associations, to oversee the measures they take (e.g. setting qualification requirements for the practice of a regulated profession). Additionally, it is necessary to consult with a wide range of private sector and civil society stakeholders to ensure that the process of trade policy-making and regulation is inclusive and well informed.
- Enhancing data collection mechanisms to capture and monitor statistics and information relating to trade in goods and services to ensure compliance with WTO obligations, including by other WTO members.
- Enhancing public awareness about the benefits and implications of accession to the WTO to facilitate understanding by business, civil society and the general public, of the benefits of a competitive market environment and the resulting different way that trade is conducted.

In analysing the challenges faced by Comoros, Jordan, Oman, Saudi Arabia and Yemen arising from their WTO accession processes, it becomes evident that each member encountered different obstacles, rooted in their specific economic and institutional contexts. These challenges reflect the complexities associated with aligning domestic policies, regulatory frameworks and institutions with global trade standards and commitments imposed by WTO membership. Throughout this process, the members have relied on technical assistance, capacity-building initiatives and international support to navigate these challenges effectively, ultimately working towards full compliance with WTO regulations.

It should be noted that, in addition to the general obligations contained in the WTO agreements, acceding governments negotiate commitments that relate to different areas of laws and regulations. These are commitments governing trade in goods and services, and intellectual property, as indicated in Tables 14 and 15.

**Table 14. Types and frequency of commitments of Arab members having joined after 1995**

Type of commitment	Frequency of commitments among Arab members having joined after 1995
State ownership and privatization - state trading entities	5
Pricing policies	8
Trading rights	6
Other duties and charges	4
Tariff rate quotas, tariff exemptions	3
Fees and charges for services rendered	7
Application of internal taxes and imports	5
Quantitative import restrictions, including import prohibitions, quotas, and licensing systems	11
Customs valuations	5
Pre-shipment inspection	4

**Table 14. Types and frequency of commitments of Arab members having joined after 1995 (continued)**

Type of commitment	Frequency of commitments among Arab members having joined after 1995
Anti-dumping, countervailing duties and safeguard regimes	5
Export restrictions	7
Industrial policy, including subsidies	6
Technical barriers to trade	10
Sanitary and phytosanitary measures and other regulations	16
Trade-related investment measures	5
Free zones, special economic areas	5
Agricultural policies (b) Exports	2
TRIPS commitments	4
Textile regimes	1
Investment regime	2
Transit	1
Export subsidies	3
Government procurement	3
Trade agreements	4
Transparency - publication of information on trade	1
Transparency - notifications	1
Framework for making and enforcing policies	8
Rules of origin	5
Other customs formalities	3
Agricultural policies (a) Imports	1
Agricultural policies (c) Internal Policies	1
Notifications	2
<b>Total</b>	<b>154</b>

Source: World Trade Organization.

**Table 15. Services-specific commitments for Arab members having acceded since 1995**

Member	No. of services subsectors
Comoros	107
Jordan	110
Oman	98
Saudi Arabia	120
Yemen	78

Source: World Trade Organization.

In order to provide more clarity regarding the post-accession challenges the five Arab members had to address, it is important to recall the elements of treaty commitments they undertook as a result of the accession. In the case of Comoros, Jordan, Oman, Saudi Arabia and Yemen such commitments included the following:

### Investment regime

Commitments on the investment regime have been undertaken by Saudi Arabia. They relate to laws and government policies that oversee how assets, whether financial, intangible or land, can be acquired. Commitments focused on ensuring equal treatment between foreign and domestic investors. In addition, the investment regimes of all Arab members acceding to the WTO post 1995 had to be in conformity with their obligations and commitments under the GATS as they relate to the treatment of services suppliers of other members supplying services through mode 3 (commercial presence) whether in the form of a subsidiary or a branch.

### State ownership and privatization

These commitments have been undertaken by all five Arab members that have acceded since 1995. They relate to the level of control and influence the government has over companies which are state-owned or controlled. Obligations also include

provisions of WTO agreements, particularly Article XVII (State Trading Enterprises) of the General Agreement on Tariffs and Trade (GATT) 1994, the WTO Understanding of Article XVII, and Article VIII (Monopolies and Exclusive Service Suppliers) of the GATS. The focus is mainly on state-owned enterprises and entities with special or exclusive privileges in the domestic market. Also, there are notification obligations to ensure transparency, non-discrimination, and that such enterprises operate based on commercial considerations. In the case of Saudi Arabia, there is a commitment to provide annual reports on the status of privatization in the Kingdom to enhance transparency.

### Pricing policies

Pricing policies can have far-reaching trade implications. They determine the wholesale and retail prices of goods and services produced. For example, price controls by the government or state trading entities resulting in “dual pricing” are particularly significant when they relate to energy goods and services. This is because the price of energy goods and services determines the cost of products of energy-intensive industries (e.g. steel manufacturing) along the entire domestic supply chain. This, in turn, results in a competitive advantage for domestic products over imported similar products.

The five Arab members that acceded from 1995 have obligations to apply any price controls in accordance with GATT Articles III (National Treatment) and XI (1) (General Elimination of Quantitative Restrictions), as well as the Agreement on Agriculture.

Additional commitments by Saudi Arabia included provisions to ensure that producers and distributors of products subject to pricing policies operate based on normal commercial considerations, with full cost recovery and reasonable profit. They emphasize the need for transparency and the elimination of additional pricing margins for locally manufactured products.

### Trading rights

Governments frequently adopt laws and regulations requiring traders to register the fact that they engage in the business of importing and exporting. Restrictive

conditions attached to the right to trade in goods are inconsistent with basic GATT principles of non-discrimination and national treatment (NT). Commitments relating to trading rights ensure that these principles are not violated by acceding governments.

The five Arab members have obligations pursuant to Articles VIII (Fees and Formalities Connected with Importation and Exportation), XI (General Elimination of Quantitative Restrictions), and III (NT) of the GATT 1994, to ensure that laws, regulations, fees, charges and taxes related to trading rights are non-discriminatory and not trade restrictive.

### **Fees and charges for services rendered**

These are charges imposed by government authorities for services rendered on or in connection with importation, typically for services such as customs clearance, exchange control, consular transactions, such as consular invoices and certificates, and so forth. GATT 1994 treats them differently from customs duties and "other duties and charges", which protect domestic production and raise revenue. The basic rule in this case is that such fees and charges must be limited to the approximate cost of the services rendered.

WTO members have an obligation to apply such fees and charges for importation or exportation in a manner consistent with Articles VIII (Fees and Formalities connected with Importation and Exportation) and X (Publication and Administration of Trade Regulation) of the GATT 1994.

### **Application of internal taxes on imports**

The GATT contains obligations regarding the way domestic taxes, such as consumption taxes, excise taxes or stamp duties, are applied to imported products. WTO members are permitted to impose indirect taxes on imported products, provided that imported foreign products from other WTO members receive treatment no less favourable than any other WTO member or even non-member. Imported products from other members must also receive no less favourable treatment than like products of domestic origin.

All domestic taxes on imported products therefore must be imposed in conformity with the provisions of Articles I (most-favoured nation – MFN) and III (NT) of the GATT as of the date of accession. In addition, Comoros undertook an additional commitment to replace its internal taxes by a value-added tax in accordance with an action plan agreed by the working party.

### **Quantitative import restrictions, including prohibitions, quotas and licensing systems**

WTO provisions allow a margin of protection for domestic production. However, they favour the use of price-based measures over quantity-based restrictions on imports given that price-based measures are more transparent, predictable and less distortive to trade than quantitative restrictions. While WTO members are permitted to use customs duties, they should also be prepared to negotiate their reduction or elimination. Commitments relating to quantitative import restrictions are concerned with limiting the use of quantitative restrictions, including prohibitions, quotas and restrictive import licensing.

All WTO members must ensure that any measures they take regarding quantitative import restrictions or prohibitions are in conformity with their obligations under the relevant articles of the GATT. This includes Articles XI (General Elimination of Quantitative Restrictions), XIII (Non-discriminatory Administration of Quantitative Restrictions), XIX (Emergency Action on Imports of Particular Products), XX (General Exceptions) and XXI (Security Exceptions).

In addition to the general obligations, the five Arab members which have acceded since 1995 have also initiated specific individual commitments in this area. For example, Oman undertook to eliminate the import prohibition on petroleum products and eliminate quantitative restrictions on items such as fresh fruits, vegetables, long-life milk and eggs. Yemen committed to the immediate removal of import bans on coffee and mangoes, along with the cessation of seasonal restrictions on various agricultural products. Saudi Arabia committed to review and update the list of banned imports at least once a year, ensuring compatibility with WTO provisions.

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## Customs valuation

Obligations in this regard aim to create an objective, fair, uniform and neutral system for the valuation of goods for customs purposes that preclude the use of arbitrary or subjective customs values.

All WTO members undertake the obligations of the WTO Agreement on Implementation of Article VII (Valuation for Customs Purposes) of the GATT 1994 (the Customs Valuation Agreement) in full upon accession. In some cases, transition periods are agreed with arrangements for technical assistance, as in the case of Yemen.

## Rules of origin

Rules of origin are necessary for the implementation of any measures that are based on the origin of the product. This is necessary to ensure compliance with WTO obligations, in many instances including the operation of provisions such as MFN treatment, trade remedies and countervailing duties, rules on preferential agreements and preferential schemes.

The five Arab members that acceded after 1995 have fully committed to the implementation of the WTO Agreement on Rules of Origin as of the date of their accessions.

## Export restrictions

Quantitative restrictions on exports are generally prohibited by Article XI of the GATT 1994, as are import restrictions. There are, however, several exceptions to this rule, which are mainly restrictions which WTO members consider necessary for the protection of legitimate policy objectives covered by general exceptions provisions or their essential security interests. Acceding governments are expected to list all export restrictions that they maintain and any reasons for their continued application. They are expected to remove any restrictions that cannot be justified or for which the justification no longer exists. Any export restrictions must be consistent with the rules of the GATT, in particular, Articles XI (General Elimination of Quantitative Restrictions), XVII (State Trading Enterprises), XX (General Exceptions) and XXI (Security Exceptions).

## Export subsidies

The WTO Agreement on Subsidies and Countervailing Measures prohibits the granting of subsidies on exports of non-agricultural products and defines these as subsidies contingent, in law or in fact, upon export performance. Oman, Jordan, Saudi Arabia, Yemen and Comoros have committed to eliminate all prohibited export subsidies upon accession to the WTO and comply with all notification requirements in this regard. They are also required to apply the obligations in the Agreement on Subsidies and Countervailing Measures relating to industrial policy and support for local industries.

## Technical barriers to trade (TBT)

The TBT Agreement aims to ensure that technical regulations, standards and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. At the same time, it recognizes WTO members' rights to implement measures to achieve legitimate policy objectives, such as the protection of human health or the environment. The aim of WTO obligations in this area is to ensure that obstacles to trade created by technical regulations, standards and procedures for the assessment process are not more trade restrictive than necessary to achieve a legitimate policy objective.

Oman committed to applying all obligations under the WTO Agreement on TBT from the date of accession without the need for a transition period. It also confirmed the establishment of a work programme to review and replace existing mandatory standards with voluntary standards or technical regulations within a specified timeframe.

In addition to complying with all obligations under the WTO Agreement on TBT from the date of accession, Jordan committed to a gradual review of mandatory standards, with the goal of replacing them with voluntary standards or technical regulations, consistent with Article 2 of the TBT Agreement.

Saudi Arabia committed to complying with all obligations under the TBT Agreement from the date of accession without the need for a transition period.

Finally, as least-developed countries (LDCs), Yemen and Comoros undertook to progressively implement the Agreement on Technical Barriers to Trade over a transition period in accordance with agreed action plans, with full implementation by 31 December 2016 (Yemen) and 1 January 2027 (Comoros).

### Sanitary and phytosanitary measures and other regulations

The aim of sanitary and phytosanitary (SPS) measures is to protect human, animal and plant life and health. These measures strive to ensure that, for instance, food is safe for human consumption. They apply to both domestic and imported products alike. In the case of imported products, for example, they may require that they come from disease-free areas or require specified treatment or processing of products. By their very nature, SPS measures restrict trade in products that do not conform to their requirements. The WTO Agreement on SPS Measures recognizes the right of governments to apply such measures as may be necessary to ensure protection at the level they consider appropriate. However, the rules are designed to ensure that these measures do not create unnecessary barriers or disguised restrictions to international trade.

In terms of commitments undertaken by each of the five latest acceded Arab members, Oman committed to eliminating mandatory shelf-life standards for "shelf-stable foods" upon accession and stated its intention to establish regulations and procedures in line with international norms for "highly perishable refrigerated" food products within one year of accession.

Jordan committed to examining its shelf-life standards for shelf-stable food products immediately upon accession and promised to establish regulations and procedures in line with international norms for "highly perishable refrigerated" food products within one year of accession.

Yemen, an LDC, committed to ensure that any changes made in its laws, regulations and practices during the transition period would not result in a reduced level of consistency with the provisions of the SPS Agreement than existed on the date of accession.

It aimed to progressively implement the provisions of the SPS Agreement within a specified timetable, with full implementation by a specified date.

Saudi Arabia undertook the commitment to align its SPS measures with international standards, including those of the Codex Alimentarius Commission, World Organization for Animal Health, and the International Plant Protection Convention. It also confirmed its commitment to transparency by publishing SPS measures in advance of their application and notifying changes to WTO members.

Similarly, as an LDC, Comoros also committed to implement the SPS Agreement progressively in line with an action plan. It confirmed that at the time of accession, existing laws and future measures would be consistent with the provisions of the SPS Agreement and that its full implementation would begin on 1 July 2025 without transition.

### Trade-related investment measures

The WTO Agreement on Trade-Related Investment Measures (TRIMs) reaffirms and clarifies two sets of existing GATT obligations – those relating to domestic purchasing requirements contrary to the national treatment provisions in Article III, and the obligation of the general elimination of quantitative restrictions in Article XI. Acceding governments typically commit to not maintaining measures contrary to the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transitional period.

Oman, Jordan, Saudi Arabia, Yemen and Comoros all committed to the full implementation of the TRIMs Agreement as of the date of accession.

### Free zones, special economic areas

The GATT 1994 does not deal with free zones as a separate topic. Therefore, documentation submitted by acceding governments refers to free zones and free economic zones but also uses other terms such as special economic areas, free ports, industrial zones, etc. Commitments in this area focus on acceding governments committing to administering free zones or special economic areas in compliance with WTO provisions.

Oman undertook commitments to administer any free zones or special economic areas in compliance with various WTO provisions, including subsidies, TRIMs and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Goods produced in these zones, under provisions exempting imports and imported inputs from tariffs and certain taxes, would be subject to normal customs formalities when entering the rest of Oman, including the application of tariffs and taxes.

Jordan pledges that free zones or free economic zones in Jordan will be fully subject to the commitments outlined in its Protocol of Accession to the WTO Agreement. It ensures enforcement of its WTO obligations in these zones, including commitments derived from the TRIPS Agreement. Goods produced or imported into the zones under special tax and tariff regimes will face normal customs formalities, tariffs and taxes when entering the rest of Jordan.

Yemen also committed to establish free zones under its laws, fully subject to WTO agreements and the commitments made in its Protocol of Accession to the WTO Agreement; it ensures the enforcement of its WTO obligations in these zones. Goods produced in free trade zones or areas under tax and tariff provisions exempting imports and imported inputs from tariffs and certain taxes will be subject to normal customs formalities when entering the rest of Yemen.

Similarly, Saudi Arabia also committed to administering any free zones or special economic zones in compliance with various WTO provisions, including subsidies, TRIMs and TRIPS. Goods produced in these zones under tax and tariff provisions exempting imports and imported inputs from tariffs and certain taxes and charges will be subject to normal customs formalities when entering the rest of Saudi Arabia.

Finally, in addition to making a commitment that any special economic zones would be established in accordance with the WTO Agreement and obligations, Comoros stated that goods produced in a free zone and sold within the ordinary customs area would be affected by normal duties and taxes levied on imported goods.

## Trade in services

In relation to trade in services, acceding governments face a particular challenge in relation to regulatory and institutional reforms, considering that services trade includes cross-border mobility production factors. This has always been one of the greatest challenges that governments and policymakers face in liberalizing the services sector under sound regulatory conditions. The five Arab members are no different in that respect.

A main challenge arises from the fact that the GATS is structurally more complex than the GATT. Among the most conspicuous differences are the existence of four modes of supply by which international services trade is conducted. This feature is a function of the definition of trade in services to include not only the cross-border movement of products, as in the case of merchandise trade, but also the cross-border movement of factors of production (capital and labour) to allow the presence of service suppliers in export markets.

Services trade liberalization under the GATS is also defined differently, compared to goods trade. Unlike the GATT which liberalizes trade through prohibiting quantitative restrictions and reducing tariffs, the GATS provides for two parameters, namely, market access and NT, to determine the conditions of entry and participation in a member's market.

This relatively complex structure of the Agreement is intended to enable members to accommodate sector- or mode-specific constraints they may encounter in the scheduling process and to progressively liberalize their services trade in line with their national policy objectives and levels of development. Complexity can thus be viewed, in part, as necessary to reconcile effectiveness and legal enforceability with flexibility for individual economies. Nonetheless, this represents significant challenges to national administrations implementing the Agreement.

To have a clear understanding of the scope and depth of such commitments, it is important to recall the legal scope of application of the GATS to domestic regulatory frameworks and the sectoral coverage of the Agreement.

In terms of the legal scope of application and the challenge it represents, the GATS applies to all measures by members affecting trade in services regardless of the policy framework in which a measure is taken (e.g. goods trade, investment, competition, financial or any other policy area). It also does not matter in this context whether a measure is taken at central, regional, or local government level, or by non-governmental bodies exercising delegated powers.

The GATS covers all services sectors. This in itself is a challenge as it relates to the multitude of policy and regulatory frameworks relevant to the implementation of the Agreement. Services sectors are classified by the United Nations Central Product Classification system to cover the following categories:

- Business services (including professional services and computer services);
- Communication services;
- Construction and related engineering services;
- Distribution services;
- Educational services;
- Environmental services;
- Financial services (including insurance and banking);
- Health-related and social services;
- Tourism and travel-related services;
- Recreational, cultural and sporting services;
- Transport services;
- Other services not included elsewhere.

These sectors are further subdivided into a total of some 160 subsectors. While this list represents the sectoral coverage of the GATS, it does not represent the sectoral coverage of a member's schedule of specific commitments, which varies from one member to another. Under this classification system, any service sector, or subsector, may be included in a member's schedule of commitments with specific market access and national treatment commitments. The five Arab members that have acceded since 1995 have submitted their schedules with extensive commitments touching upon 12 categories but varying in their coverage across the 160 subsectors.

With this comprehensive sectoral coverage, there is only one sector-specific exclusion from the coverage of the GATS. This relates to most of the air transport sector. The only three subsectors covered are aircraft repair and maintenance services, the selling and marketing of air transport services, and computer reservation system services.

The other blanket exemption from the sectoral coverage of the agreement is "services supplied in the exercise of governmental authority" or what is referred to as government services which are supplied neither on a commercial basis, nor in competition with one or more service suppliers. Typical examples may include police, fire protection, monetary policy operations, mandatory social security systems, and tax and customs administration.

This provides broad and diversified coverage of specific commitments across many sectors with diverse policy and regulatory frameworks for serious challenges to policymakers and regulators. It requires an unprecedented level of policy coherence and consistency of regulatory approaches to be achieved through effective consultative mechanisms. It also requires a regulatory mindset which continuously observes relevant obligations under the GATS.

## Assessment of post-accession policy, regulatory, institutional and other reforms to improve the business environment

In principle, obligations arising from the provisions of the WTO agreements require an acceding government to bring all its laws and regulations into conformity with such obligations.

### Regulatory and institutional reforms

The five members which have acceded since 1995 have undertaken significant reform steps at the regulatory and institutional levels.

Jordan has established its Foreign Trade Policy and Relations Department in the Ministry of Industry, Trade and Supplies which is responsible for all matters relating to multilateral WTO trade agreements.

Since its accession, Jordan has been reviewing and amending its laws, as well as establishing the adequate monitoring institutions to conform with its WTO obligations. Several new laws have been introduced, including laws on import and export, customs, economic zone, competition, investment, income tax, trade remedies – covering anti-dumping, subsidies and countervailing, and safeguard measures – and other laws relating to intellectual property rights, telecommunications, transportation, banking and insurance regulation, among other laws related to the financial sector.

Oman has made several institutional and legal reforms since its accession where new ministries, authorities and committees have been established, and several laws were adopted to enhance the implementation of its WTO commitments.

Oman established the National Committee on WTO Accession in 2001 to deal with all WTO-related matters. It acts under the chair of the Ministry of Commerce and Industry and Investment Promotion, and comprises representatives from various ministries, the customs authority and the private sector. In 2014, Oman established the National Committee on Trade Facilitation to comply with Article 23.2 of the WTO Trade Facilitation Agreement. The Committee is composed of both governmental authorities and private sector representatives. Its main objective is to facilitate trade while modernizing border enforcement services.

Since its accession, Oman has established the Public Authority for Consumer Protection; the Public Authority for Investment Promotion and Export Development; the Ministry of Commerce, Industry and Investment Promotion; and the Oman Investment Authority.

Oman has also created several trade and trade-related laws. It has issued a new consumer protection law; a new foreign capital investment law; adopted new legislation on competition and anti-monopoly;

and a privatization law. It has also ratified the Trade Facilitation Agreement and the Protocol Amending the TRIPS Agreement.

Saudi Arabia's Ministry of Commerce and Industry (MCI) is responsible for trade-policy formulation and implementation, including ensuring compliance with the WTO agreements. It coordinates with other ministries and trade-related bodies, and the Saudi negotiating team in charge of discussing and assessing WTO-related issues that are composed of representatives from the MCI, Ministry of Finance, Ministry of Economy and Planning, Ministry of Petroleum and Mineral Resources, Ministry of Agriculture, Ministry of Foreign Affairs, and the Saudi Arabian Monetary Agency. The private sector provides inputs to trade policy formulation by communicating its views either directly to the MCI or through the chambers of commerce and industry.

There was a significant change in Saudi Arabia's institutional framework for trade policy formulation and implementation in recent years which is mainly aligned to the objectives of Vision 2030.<sup>1</sup> It established the General Authority for Foreign Trade (GAFT) in 2019 as a separate public entity to take over all the responsibilities related to foreign trade that were previously carried out by the Ministry of Commerce. The GAFT is currently responsible for all trade policy matters, including negotiations. The Government also transformed the Saudi Arabian General Investment Authority into the Ministry of Investment in 2020, established the Saudi General Authority for intellectual property in 2017, and the Ministry of Industry and Mineral Resources in 2019, among other restructuring initiatives.

The Government in Yemen also developed a national strategy along with action plans for implementation of full WTO commitments immediately after formal accession was completed on 26 June 2014. Shortly after the formal accession, political instability in the country brought the process to an almost complete halt. Nevertheless, the Government periodically and continuously reviews the implementation of the different commitments with a view to implementing them as soon as the situation allows, including evaluating and amending the plans as necessary.

Among the most notable recent legislative and regulatory reforms that were implemented post-accession was the establishment of the National Committee for Trade Facilitation (NCTF) in accordance with Article 23 (2) of the WTO Trade Facilitation Agreement (TFA), by Ministerial Resolution No. 12 of 2021. Several associated activities were also implemented in relation to fulfilling Yemeni commitments; including conducting a comprehensive needs assessment to appraise the extent to which the Yemeni legislation and regulations are compatible with the implementation of the TFA.

A wide-ranging capacity-building and institutional reform programme was implemented to assist different government agencies responsible for border management and to facilitate trade and reduce non-tariff barriers. Regarding customs, it covers valuing goods under GATT Article VII (valuation for customs purposes), setting up an authorized economic operator, using post-audit checks, adopting risk management and pre-clearance procedures and strengthening the capacities of the Ministry of Agriculture and Irrigation, and the Standards and Metrology Authority, in implementing the SPS and TBT agreements. On the other hand, the implementation of commitments with transition periods in other areas is falling behind schedule and stipulated dates have lapsed.

Similarly, Comoros has developed a post-accession strategic plan to serve as the guiding framework for implementing the commitments undertaken during the accession negotiations and to identify areas where additional implementation support will be required. In addition to helping the country fulfil its WTO commitments, the plan aims to stimulate the business and economic environment to attract investment, strengthen competitiveness, and facilitate the shift towards the market economy model.

In line with its post-accession strategy, Comoros hosted a national awareness-raising workshop in November 2024, in collaboration with the WTO Secretariat and the Enhanced Integrated Framework (EIF). The workshop provided a platform to engage with key stakeholders from the public and private sectors on the best practices to meet WTO membership obligations and explore new development opportunities.

In addition, the Government of Comoros has received support from the Trade Facilitation Agreement Facility for the implementation of the TFA, particularly the TFA notifications and the technical assistance needed to enforce the TFA provisions under Category C.<sup>2</sup> While regulatory reforms are underway in this area, especially in customs, further assistance is required to expedite the process. For instance, aligning the capacity of local officials with global standards and strengthening public understanding of the TFA and its procedures.

In the lead up to WTO accession, the Government of Comoros, through Presidential decree No. 23-060/PR, reformed its regulations on rice imports by ending the monopoly of the state-owned enterprise ONICOR (*Office National pour l'Importation et la Commercialisation du Riz*) and opening the market for competition from the private sector. This development marked a major step in the liberalization of this sector, a concern that was raised during the accession negotiations.

With the support of the World Bank and the European Union, Comoros has been working to formulate new rules and requirements to ensure the seamless and transparent participation of the private sector. According to a Ministerial Order published in April 2024, these rules require enterprises to demonstrate financial guarantees, commercial and tax registration and compliance with health and environmental standards. In addition, the Order states that the minimum import quota is 5,000 tonnes for private enterprises, while ONICOR maintains a higher annual quota of 45,000 tonnes which will reduce progressively every year.

### Activities and participation in the WTO and other international organizations

Participation of newly acceded members in WTO daily work often depends on the availability of representational capacity in Geneva. Understandably, this would vary from one member to another.

Jordan became a member of the WTO on 11 April 2000. It is a signatory to the WTO's Information Technology

Agreement and an observer to the Government Procurement Agreement. Jordan has never participated in any dispute settlement proceedings at the WTO as a complainant, a respondent, or a third party.

Jordan is participating in the "recently acceded members" group and is a member of the WTO Arab Group. It has also submitted proposals together with other members, such as small, vulnerable economies.

Jordan has submitted several notifications to the WTO, mainly in the areas of agriculture domestic support and export subsidies, quantitative restrictions, preferential rules of origin, regional trade agreements (RTAs), trade remedies, SPS, TFA and TRIPS. Jordan has not submitted any notifications under the GATS.

Oman has been a member of the WTO since 2000. It is a party to the Information Technology Agreement, and an observer to the Agreement on Government Procurement and to the Committee on Trade in Civil Aircraft. In 2017, Oman ratified the Trade Facilitation Agreement. Oman has never been either a complainant or a defendant in any WTO dispute. It has been a third party in 13 cases. It is a member of the Asian group of developing members and the Article XII members negotiation group, for members having joined since 1995.

Oman has made several notifications to the WTO on issues related to domestic support and export subsidies, RTAs, trade remedies, import licensing procedures, trade facilitation, SPS, TBT, TRIPS, TRIMs and state trading enterprises.

Saudi Arabia became a member of the WTO in 2005. It is an observer to the Agreement on Government Procurement and the Committee on Trade in Civil Aircraft. In 2016, Saudi Arabia ratified the Protocol concerning the TFA. Saudi Arabia also accepted the Protocol Amending the TRIPS Agreement in 2012, which came into force on 23 January 2017. It has never been a complainant under the WTO dispute settlement mechanism, but it was a respondent in two cases and participated as a third party in 49 cases.

The Kingdom of Saudi Arabia is also a member of the Article XII members negotiation group, the WTO Arab

group, the group of Asian developing members, and the informal group of developing countries.

Saudi Arabia has made notifications to the WTO on agriculture domestic support and export subsidies, RTAs, the Agreement on Import Licensing, the TFA, Agreement on Rules of Origin, trade remedies, SPS TBT, TRIMs, TRIPS and the GATS.

Yemen has been a member of the WTO since 26 June 2014. It has never been a complainant or a respondent under the WTO dispute settlement mechanism but was a third party in two cases.

Yemen is a member of the Asian developing members group, the G90,<sup>3</sup> and the LDCs group. It co-sponsored the investment facilitation for development initiative in 2021. Yemen has made notifications to the WTO on rules of origin and SPS.

Comoros has been a member of the WTO since 21 August 2024. It has not engaged in any complaints or defence under the WTO dispute settlement mechanism. Furthermore, it is a member of the Organisation of African, Caribbean and Pacific States, the African group, the G90 and the LDCs group.

Comoros has notified the WTO on the category commitments and transparency notifications under the TFA and on export subsidies under the Agreement on Agriculture.

## Interactions with existing and prospective trading partners

### *Jordan*

Jordan is a member of eight regional and bilateral trade agreements with major trading partners (covering 52 economies). These agreements mainly cover trade in goods, while two of them also cover trade in services. Jordan is a member of the following agreements:

#### ***Free Trade Agreement (FTA) and economic integration agreement with the United States***

The Agreement entered into force in 2001. Its objective is to strengthen economic ties, promote investment and employment opportunities and improve

the competitiveness of both members. The Agreement covers trade in goods and services, protection of intellectual property rights, the environment, labour and e-commerce. However, as of August 2025, an import tariff of 15 per cent applies following unilateral tariff action.

#### ***FTA with the European Free Trade Association (EFTA)<sup>4</sup>***

The Agreement entered into force in 2002. It covers trade in goods, government procurement, and intellectual property rights.

#### ***FTA with the European Union***

The Agreement entered into force in 2002. It covers trade in goods, investment, government procurement and intellectual property rights. It provides for the establishment of a free-trade area lasting a maximum of 12 years from the date of entry into force of the FTA, i.e. to 2014. The rules of origin are set out in Protocol 3 of the Agreement. Evidence of the originating status of products is furnished by the EUR.1 movement certificate. Diagonal cumulation of origin is foreseen in Protocol 3.

#### ***Pan-Arab Free Trade Agreement (PAFTA)<sup>5</sup>***

The Agreement entered into force in 1998 with full implementation in 2005 and covers trade in goods. Under the Agreement, all trade barriers among its members were eliminated without exception. Nonetheless, non-tariff barriers, in particular standards, lengthy bureaucratic and administrative procedures at the borders, and transit fees, are still reported as costly and lengthy procedures. The treaty also provides for rules of origin. The principal entity responsible for implementing the programme is the Economic and Social Council of the League of Arab States.

#### ***FTA and economic integration agreement with Singapore***

The Agreement entered into force in 2005. It covers trade in goods and services, domestic regulation, government procurement, intellectual property rights and investment. Currently, 153 lines remain dutiable, in Harmonized System (HS) sections II, III, IV and XVII by Jordan.

#### ***The Agadir Agreement***

This is a free trade agreement which entered into force in 2007 and covers trade in goods. The Agreement is between Jordan and Egypt, Morocco and Tunisia. It commits the parties to substantially removing all tariffs on trade between them and to intensifying economic cooperation regarding standards and customs procedures. The Agreement also covers government procurement, financial services, contingency measures, intellectual property and dispute settlement. It adopts the Pan-Euro-Mediterranean rules of origin, which allow for diagonal cumulation of origin amongst its members, meaning that inputs originating in any of them, in the European Communities (EC) members or in EFTA members, may be used for the purpose of duty-free exports to EC markets under their association agreements with the EC.

#### ***FTA with Canada***

The Agreement entered into force in 2012. It covers trade in goods and investment. Tariffs remain dutiable by Jordan in HS sections I and IV (live animals and animal products and prepared foods).

#### ***Economic integration agreement with Arab countries***

The Arab agreement on trade in services entered into force in 2019. Current members are Egypt, Jordan, Oman, Saudi Arabia and the United Arab Emirates with the possibility for other League of Arab States members to become parties. The Agreement has not been notified to the WTO.

#### ***FTA with the United Kingdom***

The association Agreement entered into force in 2021. It covers trade in goods. The Agreement preserved most of the links between the parties under the 1997 Euro-Mediterranean Agreement establishing an association between the EU and Jordan, and provided for the elimination of customs duties between the two parties. The share of duty-free lines applicable to imports from the United Kingdom immediately at the entry into force of the Agreement was 97.1 per cent, corresponding to 98.9 per cent of total imports from the United Kingdom during the period 2018–2020.

## **Oman**

Oman has engaged in five regional and bilateral trade agreements with major trading partners that cover trade in goods, while three of them cover trade in services.

### ***GCC customs union***<sup>6</sup>

The Gulf Cooperation Council (GCC) was created in May 1981. Its main objectives are regional cooperation and integration in economic, social and cultural affairs. The Gulf Common Market was officially launched in January 2008. Since January 2003, the GCC states have operated a common external tariff of between 0 per cent and 5 per cent for most products, and a common law on customs procedures and valuation. On 1 January 2008, the members of the GCC also formed a common market for services. The GCC also had common legislation on contingency measures, veterinary quarantine and plant quarantine.

### ***PAFTA agreement***

The agreement entered into force in 1998 with full implementation in 2005. It covers trade in goods (see above).

### ***FTA and economic integration agreement with the United States***

The agreement entered into force in 2009. It covers trade in goods and services, but also has provisions on investment, IPR, e-commerce, labour, environment and dispute settlement. It provides for tariff elimination in agricultural and non-agricultural goods over a maximum of 10 years, although a large share of products were granted duty-free access immediately. In 2018, 100 per cent of the United States' tariff lines became duty-free. However, as of August 2025, an import tariff of 10 per cent applies following unilateral tariff action.

### ***FTA and economic integration agreement between GCC and Singapore***

The agreement entered into force in 2013. It covers trade in goods and services, investment, rules of origin, standards, customs procedures, government procurement, electronic commerce, intellectual property, movement of natural persons and economic

cooperation. With the agreement's entry into force, approximately 94 per cent of all tariff lines of GCC member states qualified for immediate duty-free treatment, while an additional 2.7 per cent of tariff lines qualified for duty-free treatment as of 2018. In terms of services, both parties have committed to liberalizing various sectors beyond their WTO commitments.

The services sectors covered include professional services (legal, accounting and engineering) and business services (construction, distribution and hospitals).

### ***FTA and economic integration agreement between GCC countries and EFTA***

The agreement entered into force in 2014. It covers trade in goods (industrial and processed agricultural goods, fish and other marine products), trade in services, government procurement and competition policy. Certain topics, such as intellectual property rights and investment, were left for subsequent negotiations after the entry into force of the agreement. Bilateral agricultural agreements cover basic agricultural products and are an integral part of the legal instruments establishing the free trade area between the GCC and EFTA.

### ***Economic integration with Arab countries***

Oman is a member of the Arab Agreement on Trade in Services that entered into force in 2019. Current members are Egypt, Jordan, Oman, Saudi Arabia and the United Arab Emirates. The Agreement has not been notified to the WTO.

### ***Saudi Arabia***

Saudi Arabia is part of four regional and bilateral trade agreements that cover trade in goods; two of them cover trade in services.

### ***GCC customs union***

The agreement entered into force in 2003. The details are the same as indicated for Oman.

### ***PAFTA agreement***

The agreement entered into force in 1998 with full implementation in 2005. It covers trade in goods.

**FTA and economic integration agreement between GCC and Singapore**

The agreement entered into force in 2013. It covers trade in goods, rules of origin, customs procedures, trade in services, government procurement and electronic commerce. The parties agreed to negotiate investment issues at a later stage. GCC member states agreed to eliminate tariffs on 99 per cent of Singaporean exports.

**FTA and economic integration agreement between EFTA and GCC**

The agreement entered into force in 2014. The details are as presented for Oman.

**Agreement on trade in services between Arab economies**

The agreement entered into force in October 2019 and was concluded among the members of the League of Arab States. Current members are Jordan, Oman, Saudi Arabia and the United Arab Emirates. The Agreement has not been notified to the WTO.

**Yemen**

Yemen is only a member of PAFTA, which entered into force in 1998 with full implementation in 2005. The agreement covers trade in goods.

**Comoros**

Comoros is a member of several regional trade agreements covering goods and services.

**Organisation of Islamic Cooperation (OIC)**

Comoros is party to the OIC General Agreement for Economic, Technical and Commercial Cooperation among member states. Among other objectives, the OIC aims to strengthen intra-Islamic economic and trade cooperation to achieve economic integration.

**Common Market for Eastern and Southern Africa (COMESA)**

Comoros has been part of the COMESA free trade area since 2012 and does not apply import duties on products from COMESA member states. COMESA's FTA covers rules of origin, a Simplified Trade Regime, trade facilitation and non-tariff barriers (NTBs). In addition, it has adopted the COMESA categorization of goods, a customs code aligned with COMESA as

well as the COMESA Common Tariff Nomenclature. COMESA hopes to become a customs union once four remaining countries join the free trade area and the tripartite FTA (COMESA, ASEAN Economic Community, South African Development Community) is established.

**Southern African Development Community (SADC)**

Comoros is a member of the SADC Agreement covering goods and services and which entered into force in 2022. However, according to the WTO database on RTAs, the Protocol on Trade in Goods and Services is applied by all SADC members except a few, including Comoros.

**African Continental Free Trade Area (AfCFTA)**

Comoros ratified the AfCFTA in 2023. Covering more than 50 economies across Africa, the AfCFTA aims to promote deeper economic integration in the continent through the creation of a single market for goods and services targeting the elimination of tariffs and NTBs and the liberalization of services trade. Additionally, it focuses on investment cooperation, intellectual property rights, trade facilitation as well as dispute settlement.

**Comoros – European Union Everything but Arms (EBA)**

As a beneficiary of the EBA framework, just like many other LDCs, imported goods from Comoros to the EU, except arms and ammunitions, are exempt from tariffs and quotas.

**European Union Interim Economic Partnership Agreement (EU iEPA) – Eastern and Southern Africa (ESA)**

Finally, Comoros signed the EU-ESA iEPA with the European Union in July 2017 and ratified it in February 2019. The Agreement also includes Madagascar, Mauritius, Seychelles and Zimbabwe and covers, amongst other areas, rules of origin, fisheries, trade defence, technical barriers to trade and dispute settlement. According to a report of the working party, the group is discussing other areas of collaboration in SPS, competition, services, investment and e-commerce and development cooperation. These negotiations aim to support the achievement of a fully operational EPA.

## Assessment of economic performance since WTO accession by reviewing economic and trade aggregates

This section aims to assess the economic performance of four of the five Arab economies since their WTO accession in 1995. The analysis spans the five years preceding accession through the most recent available data. Both Jordan and Oman acceded to the WTO in 2000, Saudi Arabia in 2005 and Yemen in 2014.

It should be noted, however, that economic performance is generally the result of multiple enabling factors that relate to domestic economic policies which go beyond the scope of trade policy and may relate to natural endowments. Therefore, it is difficult to establish a direct causality between WTO accession and the trade policy changes it brings on the one hand, and the outcome of economic performance on the other. However, it is also clear that sound trade policies that foster competition and provide stability and predictability of market opportunities can significantly enhance economic performance and contribute to sustained economic growth.

Empirical evidence supports these broader benefits. WTO research estimates that economies undergoing rigorous accession negotiations grow 1.5 per cent faster than they would otherwise during their accession period (Brotto *et al.*, 2024). If we look at economies that have acceded since 1995, or these economies minus Yemen, the estimates are close to 1 per cent. In other words, the Arab economies that acceded after 1995, except for Yemen, saw even greater growth during the pre-accession period during which they were undergoing rigorous accession negotiations (Brotto *et al.*, 2024). Regression results for the effect of WTO accession on economic growth for Arab members having acceded after 1995 are included in Annex III.

For the first few years following accession, both groups – Arab members having acceded since the creation of the WTO in 1995, and Arab members acceding

prior to this,<sup>7</sup> – experienced relatively similar trends in GDP per capita growth. However, starting around the fifth year post-accession, Arab economies which acceded after 1995 began to exhibit substantially higher growth rates compared to their counterparts which had acceded prior to 1995, with the growth rate of GDP per capita almost doubling by the tenth year after accession (see Figure 4). This divergence aligns with recent WTO research, which finds that generally, economies undertaking rigorous accession negotiations and implementing comprehensive reforms during accession tend to experience stronger economic performance (Brotto *et al.*, 2024).

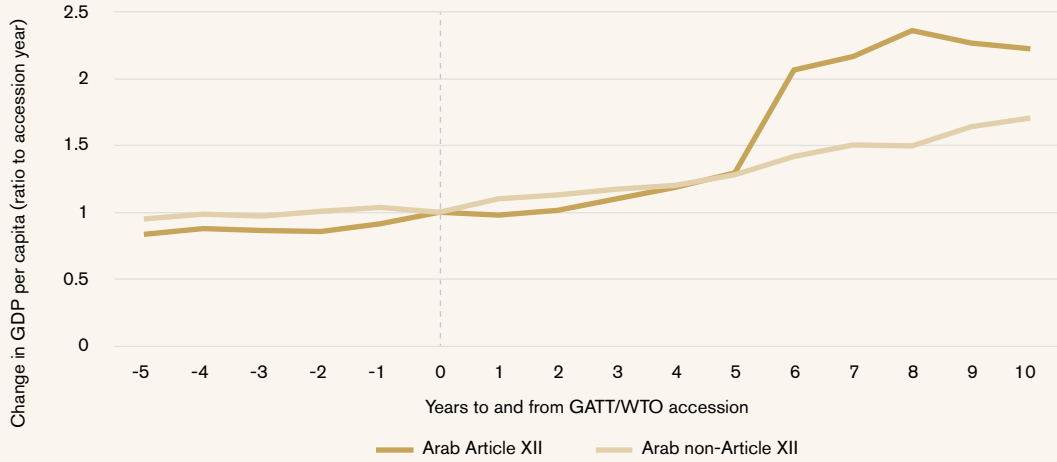
The sharp increase in GDP per capita after the fifth year, for Arab economies having acceded since 1995, highlights the potential benefits of the accession process, particularly as these members committed to deeper trade liberalization and structural reforms. In contrast, those which joined the GATT/WTO prior to 1995 without comprehensive commitments, display a more gradual and less pronounced growth trajectory over the same period.

Figure 5 shows the change in GDP per capita for individual Arab economies having joined since 1995 – Jordan, Oman, Saudi Arabia and Yemen – compared to Arab economies having joined before 1995, from five years prior to WTO accession to 10 years post-accession. Overall, the trend for Arab economies having joined before 1995 has been positive but gradual, with modest growth observed throughout the period compared to economies who have joined since 1995.

Among the more recently acceded economies, Jordan and Oman exhibit similar trends, with relatively stable GDP per capita growth in the pre-accession period, followed by consistent growth after WTO accession. Both economies saw accelerated growth around the five-year mark, with more rapid growth in Oman between the fifth and eighth years following accession.

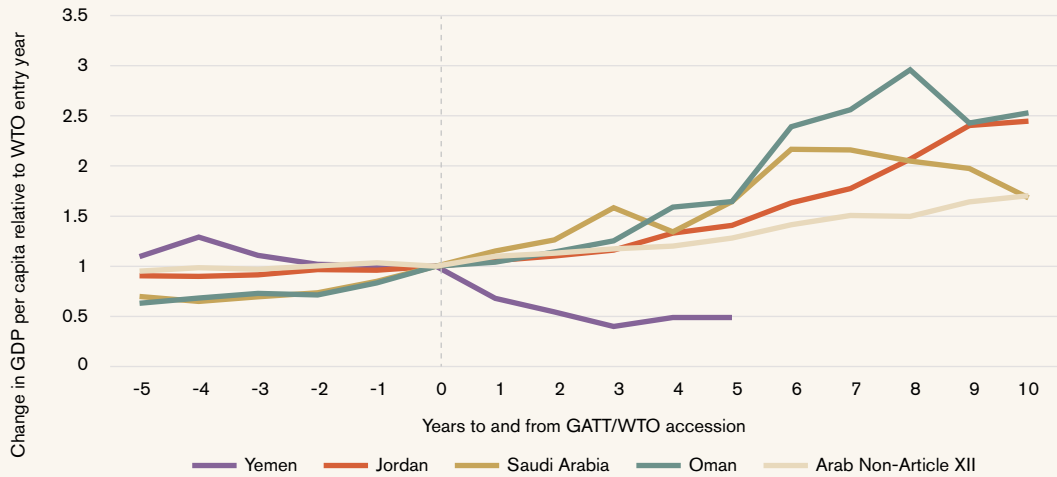
In contrast, Yemen presents a markedly different trajectory. While GDP per capita remained relatively stable pre-accession, it declined sharply post-accession due to the onset of a devastating conflict in 2014, coinciding with the year of its accession. This conflict severely hampered Yemen's economic

**Figure 4. Change in GDP per capita of Arab economies relative to having joined prior to 1995 (GATT) or after 1995 (WTO)**



Source: World Trade Organization.

**Figure 5. Change in GDP per capita for Arab economies by member and WTO accession status**



Source: World Trade Organization.

performance, distinguishing its growth path from other Arab economies which acceded post 1995.

The trend for Arab economies that acceded under the GATT remains more gradual, with modest growth observed throughout the period compared to those that acceded under the WTO.

## Trade growth in goods and services

It is expected that WTO membership will expand market opportunities, and the variety of goods and services traded, leading to productivity growth and welfare gains for newly acceded members. WTO membership and related reforms decrease trade policy uncertainty and enable long-term investment decisions made by market operators. Moreover, the fixed costs of trade and firms' barriers to market entry tend to decrease (Bernier and Schlandt, 2018).

This section considers whether WTO membership increased trade and fostered economic growth for the first four Arab members that acceded to the WTO, between 2000 and 2014, under Article XII. As trade boosts growth, the effects of trade and growth are measurable. It was estimated that a rise of one percentage point in the ratio of trade to GDP increases income per capita by between 0.5 per cent and 2 per cent (Brotto, Jakubik and Piernartini, 2020).

For Arab members acceding after 1995, the data used refers to the period between 1995 and 2023. For Arab members that acceded prior to the entry into force of the WTO in 1995, the data refers to the period between 1990 and 2023.

As indicated in Figure 6, merchandise exports and imports growth, averaged across the first four Arab members having joined since 1995, increased substantially in the years following accession and were significantly stronger than for members having joined before 1995.

For Arab members having acceded after 1995, both merchandise exports and imports grew significantly faster, during the period immediately preceding accession but especially in the years following accession. In contrast, both imports and exports for Arab members having acceded prior to 1995 grew at a much slower pace, with exports peaking at approximately US\$ 25 billion and imports reaching US\$ 20 billion following 10 years from accession.

Merchandise exports rose from around US\$ 20 billion, five years prior to accession, to over US\$ 80 billion by year three post-accession. A dip occurred after year three, but exports rebounded and accelerated significantly between years five and eight, peaking at over US\$ 100 billion before a slight decline by year 10. In particular, Oman's trade balance generally remained positive both before and after accession, reflecting strong exports in fuel, mining, iron and steel; its highest export growth rates were recorded in 2000 at 56.38 per cent and again in 2022 at 49.03 per cent, even though imports also climbed substantially.

Saudi Arabia, with an economy dependent on oil, also registered a positive merchandise trade balance overall, although export and import growth rates have fluctuated in step with global oil prices. Post-accession reforms targeted non-oil sectors and showed some success in diversifying export composition.

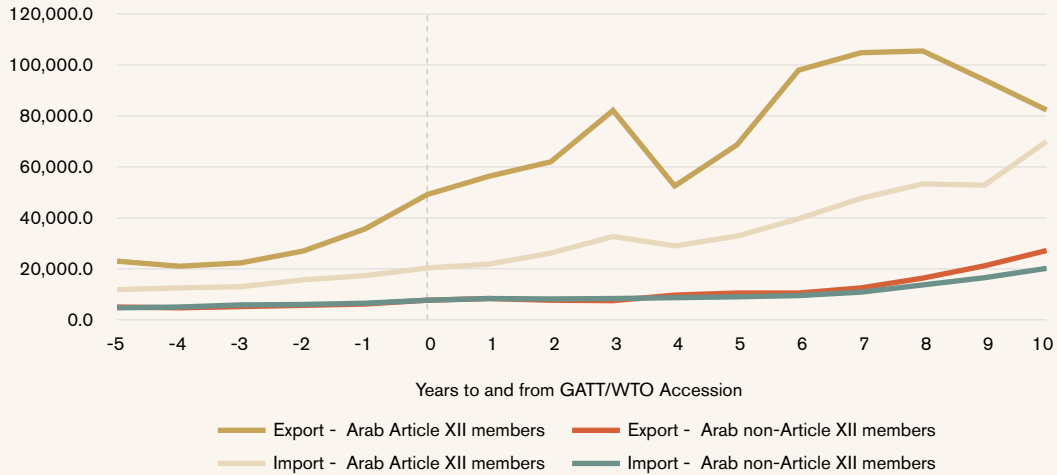
Merchandise imports for Arab members having acceded since 1995 grew from around US\$ 10 billion five years before accession and peaked at around US\$ 70 billion by year 10. A steady increase is observed from the accession year onwards, highlighting the growing trade integration and openness post-accession. Despite some fluctuations, imports rebounded strongly and continued to grow.

In comparison, imports of Arab members having acceded prior to 1995 grew more gradually. For example, Jordan's merchandise trade deficit expanded significantly after its WTO accession, from US\$ 2,698 million in 2000 to US\$ 14,910 million in 2022, as imports grew across key product categories such as agricultural goods, chemicals and machinery. Yemen consistently faced trade deficits which rose to US\$ 9,625 million in 2014, followed by a drastic 78.9 per cent decline in exports in 2015. Despite modest increases in 2017, ongoing conflict has severely constrained its ability to capitalize on WTO membership.

Services trade has exhibited similar growth trends since accession, reflecting the same mix of policy reforms, external shocks and underlying sectoral strengths across these more recent Arab members.

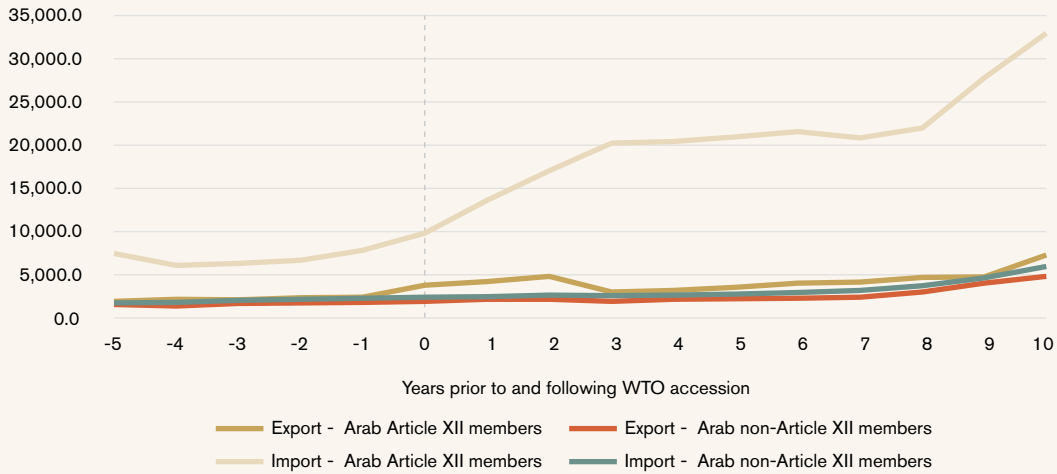
Figure 7 presents the value of exports and imports of services by Arab members, both having acceded after

**Figure 6. Merchandise trade for Arab members having acceded prior to 1995 (GATT) and after 1995 (WTO) (US\$ millions)**



Source: World Trade Organization.

**Figure 7. Trade in services for Arab members having acceded after 1995 (under Article XII) and before 1995 (non-Article XII) in US\$ millions**



Source: World Trade Organization.

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WTO accession in 1995 and those having acceded prior to this date, from five years before to 10 years after WTO accession.

Arab members which acceded after 1995 experienced a sharp increase in services imports post-accession, reflecting greater market access and openness following economic reforms. In contrast, Arab members which acceded prior to 1995 exhibited a much slower and more gradual increase in services imports, whilst services exports for Arab members having acceded after 1995 followed a more modest growth trajectory. Exports gradually increased both pre-and post-accession, and the overall trend remained positive, with exports reaching just over US\$ 7 billion by year 10.

Although each Arab economy which acceded after 1995 contributes to this broader upward trend, their individual experiences vary depending on factors such as economic diversification, dependence on travel or transport services, and the severity of external shocks.

Jordan's services sector constitutes an important share of GDP, while services exports accounted for 15 to

20 per cent of GDP during the period 2005–2022 (except for 2020 and 2021 due to the COVID-19 pandemic) and 16.5 per cent in 2022. Jordan's services exports recovered quickly after the COVID-19 pandemic growing by 80 per cent and 76 per cent respectively in 2021 and 2022 after falling by 68.15 per cent in 2020.<sup>8</sup> Jordan also witnessed a high growth rate in its exports in 2008 at 30.24 per cent before declining sharply by almost 12 per cent in 2015.<sup>9</sup>

In the case of Oman, services exports, although a smaller share of GDP (2 to 5 per cent between 2005 and 2022), grew steadily until the 2020 downturn, with travel and transportation playing key roles; the highest recorded uptick was 60.8 per cent in 2022.

Saudi Arabia's services exports make up 1 to 4 per cent of GDP, primarily in travel for religious tourism; post-accession, exports generally rose except during global shocks, with the highest post-pandemic bounce of 209.54 per cent in 2022. Yemen's services base remains small, historically at 1 to 5 per cent of GDP, and has been severely constrained by internal instability, particularly since 2014.

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## Endnotes

1. Launched in 2016, Vision 2030 is a road map aimed at implementing structural and comprehensive reforms in the public sector, the economy and society, enhancing focus on strategies and investments in key sectors, and encouraging new growth opportunities.
2. Category C refers to provisions of the Trade Facilitation Agreement that developing countries and least-developed countries will implement after a transitional period, often requiring additional technical assistance and capacity building to do so. These countries must notify the WTO of their specific implementation dates and the support they need to fulfil these commitments.
3. The G90 is an alliance between the poorest and smallest developing countries, 64 of which are members of the WTO.
4. EFTA members are Iceland, Liechtenstein, Norway and Switzerland.
5. PAFTA members are Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, the United Arab Emirates and Yemen.
6. GCC members are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.
7. Bahrain, Djibouti, Egypt, Kuwait, Mauritania, Morocco, Qatar, Tunisia and the United Arab Emirates.
8. WTO Stats, <https://stats.wto.org/>.
9. WTO Stats, <https://stats.wto.org/>.

# 4

SECTION

## Conclusion and way forward

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Harvesting ylang ylang flowers on the island of Mohéli, Comoros.

By reviewing both past and ongoing accession experiences within the Arab world, key lessons can be identified to provide guidance for ongoing and future accession endeavours. The successful integration of Arab nations into the multilateral trading system is not only beneficial for their economies but also contributes to the overall stability and prosperity of the region. By applying best practices and adapting them to their specific needs, Arab economies can navigate the challenges of WTO accession with greater success, ultimately reaping the rewards of being more open and connected to the global economy.

The Arab economies' path to WTO membership has been marked by a variety of challenges, including legal, economic and political obstacles. Nevertheless, the determination and commitment demonstrated by these nations in their accession journeys are commendable.

Successful WTO accession requires comprehensive preparation. Arab economies should prioritize institutional and legal reforms, align domestic policies with international trade rules, enhance their trade-related infrastructure and promote their economic diversification.

Involving a broad range of stakeholders, including the private sector, civil society and government agencies, is essential to ensure that the accession process reflects the diverse interests and concerns of a given nation.

Investing in capacity building vis-à-vis government officials and trade experts is vital for navigating the complexities of WTO accession and ensuring effective participation in the multilateral trading system. Technical assistance programmes from the WTO and other regional and international organizations are highly important in this respect.

While there are common principles and practices that apply to all WTO accessions, it is important for Arab economies to tailor their strategies and negotiations to their unique circumstances, taking into account their individual economic structures and priorities.

In this final section, we review the key takeaways from the study and highlight some suggestions for the way forward.

## How have Arab members that acceded to the WTO after 1995 benefitted from their membership and how can such benefits be enhanced going forward?

WTO membership offers numerous advantages to all members, both those that acceded prior to 1995 and those which have become members since. We have seen that while accession to the WTO entails undertaking extensive commitments, it also secures export opportunities in the markets of other members in accordance with the latter's obligations and commitments under WTO agreements. The first four members (Jordan, Oman, Saudi Arabia and Yemen) have harnessed their membership and the implementation of their related obligations to support their economic strategies to boost trade, economic growth and regulatory reforms.

The broad scope of regulatory and institutional reforms has enabled these four members to advance their trade and investment regimes in the direction needed to serve their economic reform strategies and enabled them to create more competitive market conditions and a business-friendly environment. While the link between WTO membership and enhanced economic performance is difficult to quantify, the correlation between the two strongly suggests a cause-and-effect relationship, taking into account the host of external factors that have influenced economic performance.

It can be argued that one of the major benefits of membership is ensuring that the overall direction of economic and trade policies is oriented towards maintaining a market economy based on regulatory frameworks that create a competitive environment. This is particularly important for governments seeking to pursue a market economy approach. While the four Arab members discussed here are not homogeneous in their economic structure and natural endowments, they are similar in having a long-standing history of

a dominant role by their government in economic activity. At the same time, they are also similar in their determination to pursue a market economy approach and integrate into the multilateral trading system. This has consistently provided the political will necessary behind the accession process.

It is also true that being part of a rules-based trading system with legally binding commitments leads to a stable and predictable policy and regulatory environment. In turn, this creates an investment-friendly environment. Attracting foreign direct investment (FDI) is always one of the priorities for economies aspiring to achieve higher levels of growth and development. It is also a necessary element in pursuing strategies of economic diversification and job creation.

Additionally, there are benefits derived from the application of commitments relating to good governance such as ensuring the right of appeal by market operators seeking the review of administrative measures by independent tribunals on matters related to WTO obligations. This goes a long way in ensuring the rule of law necessary for business-friendly conditions.

The application and enforcement of intellectual property rights in accordance with WTO obligations also contributes to attracting investments in technologically advanced sectors and industries.

Furthermore, WTO membership encourages the creation of effective mechanisms for consultations with and among government agencies and the private sector to improve policy coherence across different sectors and regulatory frameworks. This collaborative approach enhances the effectiveness of their economic and trade policies.

The process of accession also encourages partnerships with the private sector and consultations with various stakeholders. Such processes lead to better informed positions regarding policy and regulatory reforms as well as negotiations with WTO members.

To enhance the benefits of their WTO membership, Arab members having joined since 1995 may consider the following actions:

- Maintain active and continuous engagement and coordination among relevant government agencies to ensure the mainstreaming of trade policy as an integral part of an overall economic policy strategy.
- Continue efforts to pursue regulatory reforms and to address the regulatory challenges associated with introducing new laws and regulations as well as reforming and empowering relevant institutions.
- Pursue active and continuous consultative efforts with the private sector as the end users of trade rules. Regular consultations can also help identify evolving technical assistance and capacity-building needs.
- Strengthen public-private partnerships to ensure that the private sector's interests are aligned with government objectives and mobilize the proactive participation of the business community.
- Invest in comprehensive capacity-building programmes for government agencies responsible for health, plant and technical control. Training programmes should be designed to cover various provisions of international agreements.
- Prioritize reforms that streamline regulatory frameworks and continue to align them with international standards and ensure continuing compliance with WTO agreements.
- Continue to develop and maintain effective and efficient trade policy institutions that oversee the development and implementation of sound trade policies and regulations.

WTO membership offers Arab members that acceded after 1995 substantial benefits, but consistent efforts are required to fully reap long-term benefits. In pursuing such efforts, elements identified by the first four members included the following:

- Jordan highlighted the importance of technical assistance in developing and formulating trade policies that adhere to WTO rules and commitments. Such assistance may involve training and support in trade data analysis, policy research and the formulation of strategies to enhance trade competitiveness. Jordan also stressed the importance of building institutional capacity to effectively participate in WTO negotiations and implement WTO agreements.

This includes training government officials and stakeholders on WTO rules and procedures, enhancing policy analysis capabilities, and strengthening legal and regulatory frameworks related to trade. In addition, the implementation of best practices to improve trade logistics and enhance the efficiency of trade-related infrastructure was stressed.

- Oman emphasized the need for technical assistance from the WTO and from other available sources to ensure more effective participation in the multilateral trading system. This would involve participation in the regular work of WTO bodies as well as negotiating processes. Oman recognized the initiatives undertaken by the WTO Secretariat and other relevant organizations, with a recommendation to sustain and enhance these efforts to meet the demands posed by new challenges. More specifically, areas identified included customs valuation, trade facilitation, rules of origin, sanitary and phytosanitary (SPS), trade barriers to trade (TBT), as well as trade in services.
- Saudi Arabia stressed the importance of continuing the process of policy and regulatory reforms to raise productivity and competitiveness and to further integrate into global markets. Efforts are stepped-up in accordance with the Saudi 2030 Vision for economic reform. For this ambitious Vision, supportive elements need to be mobilized in terms of technical assistance and cooperation with the WTO as well as other international organizations.
- Yemen has been in a particularly difficult situation post-accession to the WTO due to political instability and conflict which is ongoing. As far as technical assistance and capacity-building needs are concerned, they were initially identified through several meetings and workshops held in June 2014 with the support of the WTO and USAID. This was followed up by a comprehensive and up-to-date assessment in 2018, through a Stability and Economic Success Project in which various relevant government agencies and private sector representatives participated.

- This exercise resulted in the preparation of a comprehensive assessment identifying technical support and capacity-building needs as well as a detailed report on Yemen's compliance with the requirements of the TFA. Yemen has responded positively to the support provided by USAID, in the establishment of the NCTF and implementation of institutional reforms. These included the creation of various departments in the customs authority and initiating the approved economic operator programme, post-audit, risk management, and customs valuation assessment in accordance with the WTO Agreement.

More generally, both domestic and international collaborative engagement, capacity-building programmes that support regulatory reforms, and effective public-private partnerships, are essential for enhancing the benefits of membership. These steps will enable Arab members that have acceded since 1995 to not only comply with international standards but also to thrive in the global trading system, fostering economic growth and stability.

## General implications for the accession of Arab economies

Based on the experiences of all five Arab members that have acceded to the WTO since 1995 and to ensure that other newly acceded members reap the full benefits of WTO membership, a wide view of the implications regarding policy, regulatory and institutional reform is needed. Bearing this in mind, attention needs to be drawn to the following aspects:

- The need for an overall economic policy vision to ensure that trade policy is fully coherent with the wider economic policy reform and national development vision. This is particularly relevant in situations where the overall economic policy vision is oriented towards establishing a market economy based on the competitiveness of a leading private sector.

- The need to establish a policy-making machinery that implements such a vision through coherent policy-making processes across different domains, including investment, financial, industrial and services policies. This would require effective coordination mechanisms across different ministries and government agencies responsible for different policies. Such mechanisms would also require political guidance to ensure consistent policy approaches across diverse dossiers.
- The need to enhance regulatory capacity across different sectors of the economy. This would be necessary to ensure that outcomes of policy-making processes are implemented through sound regulation that is also consistent with WTO obligations and commitments as well as international best regulatory practices. Enhancing regulatory capacity requires the establishment and maintenance of institutions equipped with matching mandates and resources.
- Sound regulatory practices also require maintaining consultative mechanisms across regulatory institutions in different sectors to ensure regulatory coherence. Regulatory agencies must also maintain consultative channels with the private sector and civil society constituencies to ensure that regulatory decisions are well informed regarding specific interests and concerns.
- The need to secure the necessary enabling factors for an effective negotiating machinery. This would entail mobilizing the necessary resources (financial and human) to successfully conclude the accession negotiations. This also requires maintaining a strong negotiating team in the country's capital with the necessary communication channels for different government agencies. It is also necessary to ensure that an adequate representation capacity is present and maintained in Geneva to interact with WTO members and the Secretariat. Additionally, it is of great importance to ensure the continuity of such representative capacity post-accession. This would enable adequate future participation in WTO work to pursue a member's national trade interest.
- For this purpose, technical assistance and capacity building would be necessary, including on specialized policy and regulatory matters (e.g. tariffs, non-tariff measures, trade facilitation, intellectual property, financial services, telecommunications, transport, as well as other sectors). Such assistance is usually mobilized through the WTO Secretariat as well as other international organizations dealing with trade matters. In addition to financial resources available within international organizations, contributions are also often made by governments of WTO members in a position to do so.
- Outreach to the private sector will be needed to ensure that domestic market operators and exporters are fully aware of the market access opportunities secured by WTO rules in other members' markets. This could also provide a communication channel for exporters to report back on any restrictions they might encounter in other members' markets.

## General recommendations for the accession process for the Arab region

Maintaining strong political will behind the accession process is key to the sustainability of efforts by the negotiating machinery at large, which includes the ministries and government agencies concerned, as well as other stakeholders. The involvement of the political leadership in an acceding government is always necessary to facilitate the development of agreed positions by different regulatory authorities, particularly on multidisciplinary matters. The adoption of the accession process as a national objective always helps to mobilize the efforts of all agencies concerned.

Strong political leadership would also facilitate the allocation of necessary resources, be it financial or human resources. Such mobilization is always critical to ensuring the effectiveness of the negotiating team in securing outcomes that serve the national interest.

In addition to securing the resources needed, it is necessary to ensure the readiness of the negotiating team from a technical and organizational viewpoint. Substantive awareness of the various subjects and

the complexities of related issues, including the interconnectedness of different policy and regulatory issues (e.g. how investment policies relate to trade in services), is always essential.

Securing technical assistance and capacity building to support the negotiating team is critical. The WTO Secretariat as well as other organizations are always supportive and resources are made available. However, the identification of specific needs is always advisable to ensure that resources are well allocated and that the desired impact is achieved.

Furthermore, the negotiating team and related machinery need to have well-functioning and efficient communication and information systems that ensure the ease of access to needed information from various sources as well as efficient communication among different parts of the negotiating team and related networks.

Recognizing that WTO accession is an intricate and extended process makes it necessary to ensure that the organizational aspects of the process are set up in an optimal way to enable progress. Organizing the negotiating process at the WTO between an acceding government and WTO members is the responsibility of the chairperson of the accession working party together with the WTO Secretariat. From this perspective, the process follows long-established practices aimed at maximizing efficiency and facilitating agreement. The offices of the chairperson and the Secretariat have always proven to be instrumental in moving these negotiations forward.

Effective communication channels between an acceding government and WTO members participating in the negotiations are of utmost importance. This would also need to be coupled with the effective domestic consultative setup in capitals as previously mentioned. It is crucial to institutionalize the preparations for accession. It is therefore advisable that the chief negotiator and members of the negotiating team, to the extent possible, maintain continuity over the duration of the process. It is also advisable to create and engage the national consultative body responsible for shaping negotiating positions (e.g. National Committee on WTO Accession) at different stages of the negotiating process.

## General recommendations for the post-accession period for the Arab world

A post-accession phase would normally come with a sense of relief that the negotiating process has been successfully concluded. It also comes with a new sense of commitment to ensure consistency of policies, laws and regulations with the rules of the system. This marks the beginning of a new regime in which continuous conformity with obligations is expected. This requires maintaining adequate resources and organizational structures to enable the new member to reap the benefits of their membership. The mobilization of resources and organizational structures during the accession negotiations, together with the accumulation of knowledge and expertise, should provide a solid foundation for building strong implementation and representation capabilities.

It would also be necessary to maintain effective communication and consultative mechanisms with stakeholders, particularly in the private sector. This would ensure that their concerns and interests will always be present in positions taken in the WTO.

The implementation of obligations contained in the WTO agreements relating to trade in goods is guided by their relevant provisions. While related policy decisions are of great importance, the implementation of negotiated outcomes does not challenge preexisting regulatory practices. The same is also true for the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) where the introduction of laws and regulations for the protection of intellectual property rights is not a novel regulatory practice. However, when it comes to trade in services, the situation is less clear regarding how to address the challenges related to domestic regulation of services in the context of liberalizing services trade.

While the General Agreement on Trade in Services (GATS) aims at progressive liberalization of trade in services through commitments that guarantee market access and national treatment (NT), such market opening must be coupled with sound pro-competitive

regulation that ensures the attainment of non-trade legitimate national policy objectives. Such objectives include consumer protection and ensuring the quality of the service provided, the integrity of the financial system, and public safety and security, amongst other issues.

While each services sector has its specificities and complexities when it comes to regulation, there have been common factors that, over the years, have been identified to constitute best practices in facing the regulatory challenge. Some of these factors can be associated with developing regulatory rules while others are associated with desirable features of regulatory institutions.

Key considerations in addressing the challenges of developing new rules include:

- **Design:** The choice of which rules may be contained in general legislation, and which may be left to other forms of regulation, decrees, or administrative guidelines, is important. It should be made in a manner that facilitates effective application. At the same time, the design should consider the need for possible future flexibility for adjustments in the light of market developments.
- **Content:** The rules relating to the supply of the service need to be clearly stated and drafted, based on objective criteria, and should be coherent. They should also, to the extent possible, reduce the scope for discretionary decision-making.
- **Coherence:** The interface between central and sub-central government levels is important to bear in mind. Both levels must act in a coherent and complimentary way. The same applies to the interface between sector-specific and cross-cutting types of rules (e.g. telecommunications and competition policy).
- **Transparency:** Rules must be transparent, including their underlying rationale. They should be easily accessible. Furthermore, the regulatory process itself needs to be transparent, allowing different stakeholders to observe and, where appropriate, participate.

Key policy considerations in addressing post-accession reforms to build and maintain effective regulatory institutions include:

- **Mandate:** The institutional framework for the development and implementation of regulations is key. The mandate of a regulatory institution must be carefully drawn up to reflect its objectives, functions, and *modi operandi*. Often mandates need to be reviewed (sometimes completely changed) to reflect the change of policy direction, for example from a government-controlled to a competitive market structure.
- **Independence:** The independence of regulatory institutions needs to be ensured. A regulator must be independent from any commercial market interest as well as from political influence. The risk of falling captive to vested interests must be avoided.
- **Interface:** The institutional structure should provide for an effective interface between different governmental institutions dealing with different regulatory frameworks of mutual relevance. The interface with private-sector institutions, think-tanks and civil-society organizations should also be encouraged and facilitated.
- **Accountability:** A regulatory body must be accountable for its decisions and the achievement of its objectives in a manner that does not compromise its independence. The authority to whom a regulator should be accountable and the terms of such accountability must be drawn up carefully to ensure the right balance between effectiveness of accountability and independence.
- **Human resources:** Institutions must be equipped with the required expertise and sufficient capacity. A sound human resource base is key to the sound functioning of regulators. In view of technological developments and the dynamic and innovative nature of competitive markets, this aspect should be a priority.

When steps are taken to reform any regulatory framework, the regulatory authority concerned might consider such elements as desirable characteristics to enhance the effectiveness of regulatory reforms and ensure their alignment with policy objectives.

Members having acceded to the WTO since 1995 have put forward proposals for technical assistance aimed at developing and formulating trade policies

adhering to WTO rules and regulations. This assistance should encompass various aspects such as training and support in trade data analysis, policy research, and the formulation of strategies to enhance trade competitiveness.

To improve trade logistics and enhance the efficiency of trade-related infrastructure, the implementation of best practices is recommended. This would involve adopting measures related to logistics, streamlining processes and optimizing trade-related infrastructure.

Building institutional capacity is another crucial aspect, ensuring effective participation in WTO negotiations and the implementation of WTO agreements. Government officials and stakeholders would receive training on WTO rules and procedures, policy analysis capabilities would be enhanced, and legal and regulatory frameworks related to trade would be strengthened.

For example, to enhance the competitiveness of Jordan's agricultural products, support is proposed in areas such as agricultural policy development, market access, compliance with food safety standards, and adherence to sanitary and phytosanitary (SPS) measures. Additionally, technical assistance in technical standards and quality infrastructure would aid in improving product quality and meeting international requirements.

Furthermore, technical assistance is recommended to evaluate potential accession to various WTO member-state initiatives in services. This includes resources such as the Services Domestic Regulation and Investment Facilitation for Development. The objective of seeking accession to these initiatives is to strengthen Jordan's engagement in the multilateral trading system and further facilitate the liberalization of its economy.

These proposals aim to provide comprehensive technical assistance to members that have acceded since 1995, particularly Jordan, in various areas of trade policy and implementation. By addressing these key areas, the goal is to enhance Jordan's trade competitiveness, improve infrastructure and logistics, strengthen institutional capacity, and facilitate its integration into the global trading system.

## Development of technical assistance and support for WTO Arab acceding governments

Gaining membership to the WTO is a complex undertaking, requiring expert guidance for acceding governments to navigate the intricate rules, obligations and negotiation procedures. They must also understand and respond to the requests placed upon them during the accession process by WTO members. Additionally, acceding governments are automatically involved in negotiation rounds and must stay informed about the issues discussed, as they will be expected to accept outcomes of ongoing negotiations (for example, fisheries subsidies) upon becoming WTO members.

The WTO offers trade-related technical assistance and training within its areas of expertise to acceding least-developed countries (LDCs), developing, and low-income countries undergoing transition. Its primary objective is to help applicants comprehend and implement WTO obligations effectively and enable them to exercise their rights under WTO agreements once they become members. Technical assistance activities aim to help developing countries take full advantage of the multilateral trading system. Within the WTO Secretariat, these activities are coordinated by the Institute for Training and Technical Cooperation, based on technical assistance and training plans. The Committee on Trade and Development regularly oversees all trade-related technical assistance activities.

The WTO itself does not provide trade-related technical assistance to address supply-side issues, such as the challenges faced by new members in producing exportable goods and services and accessing export markets. However, the WTO collaborates with other providers of trade-related technical assistance operating in this domain. It emphasizes the importance of effectively coordinating the delivery of technical assistance with bilateral donors and relevant international and regional intergovernmental institutions.

To this end, the Coordination Group on Accessions-related Technical Assistance was launched in 2022 to facilitate coordination between development partners and acceding governments to ensure that the evolving WTO accession-specific technical assistance needs of acceding governments are met throughout the accession process as well as post-accession.

The WTO Secretariat coordinates its technical assistance plans informally and on an *ad hoc* basis whenever possible. Additionally, it has partnered with the Organisation for Economic Co-operation and Development (OECD) to establish the Trade-Related Technical Assistance and Capacity-Building Database to gather information on the assistance provided by donor countries and agencies to beneficiaries.

The Organization of Islamic Cooperation (OIC) places significant importance on regional economic integration as a fundamental component of its programmes. Its objective is to promote economic and social development among its members. In line with this vision, the Islamic Centre for Trade Development, authorized by the OIC General Secretariat and relevant committees and Ministerial Conferences on trade and investment, is responsible for implementing various initiatives.

These initiatives aim to enhance trade and investment collaboration among member countries, support economic integration projects, promote regional cooperation, address global trade matters, and reduce both customs and non-customs barriers to facilitate intra-trade. Achieving these goals involves close cooperation with institutions such as the Islamic Development Bank (IsDB), the World Trade Organization (WTO), and regional organizations dedicated to economic cooperation.

The IsDB WTO-Programme, launched in 1997, aims to enhance the human and institutional capacities of member countries to adapt to the multilateral trading system. It focuses on raising awareness of WTO agreements and their implementation, facilitating member countries' accession to the WTO, and providing a platform for officials to discuss trade matters.

Recently, the programme has prioritized assisting member countries in their WTO accession and

strengthening negotiation skills through the Islamic Development Bank Technical Assistance Program for Regional and Global Integration in Trade (IsDB TAP). This programme now aims to build capacities in multilateral trade negotiations, including collaboration with regional trading arrangements, to promote effective participation in the global economy and foster regional integration.<sup>1</sup>

## Identification of needs

The technical assistance and training plans of the WTO encompass comprehensive information regarding all the "products" offered by the WTO Secretariat in terms of technical assistance. Additionally, these plans provide detailed information about individual activities within the scope of technical assistance.

On the other hand, the WTO addresses specific national and regional requirements in accordance with its Progressive Learning Strategy, which offers training at various levels to participants of its courses. To monitor and evaluate these activities and enhance the assistance provided, a results-based management approach is employed.

The type of assistance provided by the WTO is determined by the evolving needs of its members and acceding governments. These needs are expressed through requests for national activities made by the applicants themselves. Additionally, global trade developments influence the technical assistance activities conducted at regional or global levels. The Secretariat's primary focus is to ensure that the technical assistance offered aligns with the needs of its members and acceding governments.

The WTO determines specific national and regional needs for its assistance through a combination of approaches and mechanisms that the WTO Arab economies can follow:

- Requests by Arab economies whilst in the accession process: WTO Arab economies themselves play a crucial role in expressing their specific assistance requirements. They can submit requests to the WTO Secretariat, outlining their needs in terms of technical assistance

and capacity building. These requests serve as important indicators of the specific areas where WTO Arab economies seek support.

- Needs assessments: The WTO conducts needs assessments to gather information and analyse the trade-related challenges and capacity gaps faced by members and acceding economies. These assessments often involve consultations with governments, trade officials and relevant stakeholders to understand their specific needs and priorities. The assessments are mainly conducted in relation to trade facilitation.
- Dialogue and consultations: The WTO engages in ongoing dialogue and consultations at the regional level with WTO Arab economies through various channels, including formal meetings, working groups, committees and consultations. These interactions provide opportunities for WTO Arab economies to express their needs and concerns directly to the organization.

It is crucial to note that the provision of trade-related technical assistance is separate from the formal accession process of the WTO outlined above. WTO members have not agreed to make the implementation of WTO commitments contingent upon receiving trade-related technical assistance.

Algeria, an acceding economy, made the following recommendations to enhance WTO support for acceding governments, in response to the questionnaire (see Annex I).

- Conducting specialized training programmes: Algeria proposes organizing specialized training courses covering a range of topics related to accession negotiations. These courses would be tailored to the specific needs of each government, taking into consideration the working language adopted by each government.
- Strengthening negotiating capabilities: To facilitate the process of joining the WTO, Algeria suggests enhancing bilateral and multilateral negotiating capacities. This would enable acceding governments to effectively engage in negotiations and navigate the complexities of the accession process.

- Addressing specific technical assistance needs: Recognizing the unique requirements of economies seeking to join the WTO, Algeria emphasizes the importance of considering their special needs in terms of technical assistance. Tailored support should be provided to address the specific challenges faced by each government during the accession process.
- Involving international and regional organizations: Algeria recommends involving international and regional organizations and bodies in providing technical assistance to economies seeking accession. This collaboration would particularly benefit Arab economies, fostering greater support and expertise from relevant organizations in the region.

By implementing these proposals, the WTO can provide enhanced support to acceding governments, ensuring that they receive the necessary training, negotiating capabilities and technical assistance to navigate the accession process successfully. These measures would contribute to a more inclusive and effective framework for economies seeking to join the WTO.

Sudan has proposed several measures to enhance the participation of Arab economies in the WTO. Firstly, it suggests adopting Arabic as the fourth official language of the WTO, alongside the existing languages, to promote inclusivity and provide better accessibility for Arab economies. Secondly, Sudan recommends expediting and simplifying the accession process, enabling acceding economies to join the WTO more efficiently. Thirdly, Sudan emphasizes the need for intensive and specialized technical assistance and capacity-building programmes tailored to the specific needs of Arab economies during the accession process.

Lastly, Sudan encourages the active support of all working party members to facilitate the accession of Arab economies. These measures aim to foster greater representation and engagement of Arab nations within the WTO, facilitating their successful integration into the global trading system.

## Development of a technical assistance plan

WTO Arab economies are invited by the WTO to submit written requests for national technical assistance to the Secretariat, based on their individual needs. On the other hand, the WTO offers technical assistance programmes dedicated to acceding governments. Such technical assistance plans can be country specific (during and post accession) or for a group of economies at a regional level.

Technical assistance offered to acceding governments must be tailored to their specific needs, which differ from those of WTO members. This distinction arises from the unique nature of the work undertaken by the negotiating team responsible for the accession process. Additionally, the negotiation policies and strategies employed during the accession process vary from those conducted among WTO members. Technical assistance also varies across economies, considering the economic characteristics and circumstances specific to each.

The WTO Secretariat develops specialized training courses in various areas, catering to the specific expertise levels of negotiating teams. These courses cover a wide range of topics, including:

- Understanding the trade policy perspective: These courses provide a comprehensive understanding of trade policy principles, concepts and frameworks, as well as how trade policy relates to other economic policies, thereby enabling negotiating teams to navigate the complexities of trade policy formulation and implementation.
- Trade policy for decision-makers, including parliamentarians: These courses are designed to equip decision-makers, such as parliamentarians, with a solid understanding of trade policy issues, enabling them to make informed decisions and effectively contribute to trade-related discussions, legislative agendas and negotiations.
- Background on WTO agreements: These courses offer in-depth knowledge of the various agreements within the WTO framework, including the General Agreement on Tariffs and Trade

(GATT), the General Agreement on Trade in Services, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Agreement on Technical Barriers to Trade, and the Agreement on the Application of Sanitary and Phytosanitary Measures, among others.

Such courses should be delivered at the government official level of relevant ministries and agencies, the negotiating team, academia and researchers, media, and the business community, with the aim of providing learning opportunities and resources on WTO matters to various stakeholders. This aims to ensure a well-informed and empowered national-level participation in the accession process, leading to satisfactory outcomes in negotiations, improved trade policy formulations, the effective implementation of obligations, and integration into the global trading system.

- Goods Schedules and negotiations: These courses focus on the specific aspects of goods trade, covering topics such as tariff negotiations, non-tariff measures, rules of origin, customs procedures and market access for goods.
- Services Schedules and negotiations: These courses provide insights into the complexities of negotiating services commitments, drafting of Services Schedules, including understanding modes of supply, understanding the application of basic concepts of market access and national treatment to the supply of services, as well as the classification of services for scheduling purposes.
- Background on negotiating techniques with respect to goods and services: These courses aim to enhance the negotiating skills of teams, providing guidance on effective negotiation techniques and strategies, specifically tailored to goods and services with best practices and lessons learnt from other members.
- Preparing accession background documents: These courses assist negotiating teams in preparing essential documents required during the accession process, such as the Memorandum on the Foreign Trade Regime (MFTR), tariff profiles, trade statistics (exports and imports), checklists, questionnaires and other relevant materials.

- Thematic sessions: These courses delve into specific thematic areas of trade negotiations, addressing issues such as agriculture, intellectual property rights, trade in services, trade and environment, and trade facilitation. These sessions allow teams to deepen their understanding of specialized topics and their implications for negotiations.
- Negotiations simulation and exercises: These courses involve practical exercises and simulations that replicate real-life negotiation scenarios. Participants engage in mock negotiations, enabling them to apply their knowledge and skills in a simulated negotiation environment.

### Partnerships for further support

Besides the WTO, other organizations also support governments applying for accession by offering technical assistance. Experts provide advice on distinctive aspects of the process, such as guidance and advice in reviewing and drafting laws and regulations, to ensure domestic regulations align with the multilateral trade agreements. Furthermore, such organizations offer support in preparing market access offers for goods and services. Notably, ongoing projects providing assistance to acceding governments have been supported by the European Union, among others.

An example to illustrate this is the support to Iraq's accession to the WTO provided by the strengthening the agriculture and agri-food value chain and improving trade policy project (SAAVI). SAAVI's primary objective is to support Iraq in aligning its trade policies, regulations and practices with the international standards established by the WTO. Through the provision of technical assistance, capacity building and advisory services, SAAVI aims to help Iraq meet the requirements for WTO membership.

The project focuses on several key areas that are crucial to Iraq's accession, including trade policy formulation, legal and regulatory reforms, market access and institutional strengthening. SAAVI brings in experts and advisors who work closely with Iraqi officials, offering guidance on reviewing and drafting laws and regulations, conducting policy analysis, and preparing market access offers for goods and services.

An essential aspect of SAAVI is the enhancement of Iraq's institutional capacity. This is achieved through targeted training and workshops provided to government officials, parliamentarians, stakeholders and relevant institutions. The capacity-building efforts include workshops covering WTO rules and procedures, trade negotiations and the effective implementation of trade policies.

Considering the unique challenges faced by Iraq in its accession process, SAAVI tailors its assistance to address the specific needs and requirements of the government. By supporting Iraq's accession to the WTO, the programme seeks to foster economic growth, expand trade opportunities, and facilitate Iraq's integration into the global trading system.

Lebanon has also benefitted from various technical assistance programmes, projects, workshops, training courses and seminars offered through different institutions and organizations. These include the United Nations Development Programme (UNDP), WTO, Arab Monetary Fund (AMF), the EU, and the United Nations Economic and Social Commission for West Africa (ESCWA) among others.

A series of projects were provided by UNDP and USAID throughout Lebanon's accession process in collaboration with the Ministry of Economy and Trade (MoET). This contribution included:

- Policy support: Supporting the MoET in developing and implementing policies related to WTO accession, including improving the business environment, strengthening trade-related institutions, and promoting regional and international trade.
- Outreach and stakeholder engagement: The UNDP has been working with the MoET to engage with stakeholders, including the private sector, civil society and other government agencies, to promote understanding and support for WTO accession.
- Capacity building: By providing technical assistance to the MoET to help build its capacity to negotiate and implement WTO agreements. This has included training on trade policy, research and analysis, legal issues and negotiations.

An initial technical assistance project by USAID was implemented by PricewaterhouseCoopers and the Services Group in May 2000 with the aim of assisting the MoET in drafting the MFTR. A second USAID-funded project related to Lebanon's WTO accession efforts was initiated in June 2003 and ran until October 2007. During this phase the project assisted in the preparation of background documents for working party meetings including the goods and services offers, drafting and translating legislation, and awareness raising.

From November 2007 to November 2012, another series of projects were implemented to assist the Government of Lebanon in its accession process and to support USAID. The four core task activities were:

- Task 1: Technical support for WTO accession.
- Task 2: Assistance in the implementation of key reforms.
- Task 3: Institutional capacity building.
- Task 4: Building public support for WTO accession.

Another example of a supportive partnership, although not focused on accession, is Yemen's collaboration with USAID on the implementation of the TFA. Through a comprehensive exercise, Yemen underwent a thorough assessment to identify its technical support and capacity-building needs. The outcome of this assessment was a detailed report evaluating Yemen's compliance with the requirements of the TFA. In response to the capacity-building support provided by USAID, Yemen has demonstrated a positive response by establishing the National Committee for Trade Facilitation (NCTF) and implementing institutional reforms.

These reforms included the establishment of various departments within the Customs Authority, the initiation of an approved economic operator programme, the implementation of post-audit procedures, the adoption of risk management practices, and the implementation of customs valuation assessments in accordance with WTO agreements. To further strengthen their capabilities, Yemen's government agencies responsible for health, plant and technical control underwent an

intensive capacity-building training programme focused on the provisions of the TFA.

In addition, with the support of USAID, Yemen prepared and obtained approval for a national plan for trade reforms covering the period 2021–2023. This plan, endorsed by the Ministry of Industry and Trade, served as a strategic road map for implementing trade-related reforms in Yemen and aligning it with international standards and best practices.

Furthermore, the technical assistance provided has fostered dialogue and partnership between the public and private sectors in Yemen. This collaborative approach promotes a cooperative and inclusive environment for trade facilitation and economic development.

Yemen's collaboration with USAID in trade reform demonstrates its commitment to strengthening trade facilitation, enhancing institutional capacity, and promoting sustainable economic growth. The comprehensive assessment, capacity-building initiatives, national reform plan, and the promotion of public-private partnerships all contribute to Yemen's ongoing efforts to streamline trade processes and integrate into the global trading system.

### **Bilateral coordination between Arab members that have joined the WTO since 1995 and Arab acceding governments**

Despite the amount of time since the Arab members that acceded after 1995 joined the WTO, there are valuable opportunities for Arab economies in the accession process to benefit from the experiences of these members. These experiences can provide useful insights in several areas, fostering greater coordination internally, effectively addressing the challenges associated with the accession process, and relating the commitments made during accession to domestic reforms.

On internal coordination, these members have gone through the process of aligning their domestic policies, regulations and institutions with the requirements of the WTO. In this process, they have experienced the need

for effective coordination among government agencies, ministries and stakeholders to ensure coherence and consistency in implementing WTO commitments. Arab acceding countries can benefit from such experiences and adopt best practices in establishing internal coordination mechanisms to streamline trade-related policies and ensure effective implementation of WTO obligations.

Accession to the WTO involves addressing various challenges, such as conducting negotiations with

existing WTO members, undertaking legal and institutional reforms, and aligning trade policies with international standards. The Arab members that have acceded since 1995 have navigated through these challenges and can share their experiences with Arab acceding economies. This may include strategies for addressing specific trade-related concerns, negotiating market access for goods and services, and managing complex issues such as tariff reductions, customs procedures and intellectual property rights.

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## Endnotes

1. IsDB TAP programme - the 2023 report can be found here: <https://www.comcec.org/wp-content/uploads/2023/11/1-IsDB-TAP-for-Regional-and-Global-Integration-on-Trade-Update-2023-COMCEC.pdf>.

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# Annex I: Questionnaire for Arab acceding governments

## *Questionnaire for Arab acceding governments*

### Policy context for the accession of Arab economies

1. What were the main challenges facing the economic performance before starting the accession process? Please identify challenges in order of national priority.
2. What are the foremost important considerations behind the decision to seek membership of the WTO? For example:
  - a) Ensuring greater economic policy coherence including a trade policy direction that is supportive of the overall economic strategy;
  - b) Ensuring stability and predictability in conditions governing trade in goods and services to promote expansion of guaranteed export opportunities;
  - c) The need to diversify the economy away from dependency on a narrow export base;
  - d) Improving domestic business environment through promoting competitive market conditions;
  - e) Attracting foreign direct investment;
  - f) Upskilling domestic human resources;
  - g) Contributing to economic and social development goals;
  - h) The desire to share experiences and best practices and to act jointly with other WTO members, including in future negotiations;
  - i) Other considerations (please specify).

In the response, please address the considerations listed above according to the national order of priority, including other considerations not listed above.

3. Has the government conducted a pre-accession assessment? If so, please provide main conclusions from such an assessment.

### Accession process

4. Has the government established a domestic coordination and consultative mechanism for all relevant stakeholders (governmental and non-governmental) to ensure active participation in the WTO's accession process? If so, please describe how such mechanisms are structured and how they interact to perform their functions.
5. What are the main challenges in establishing such mechanisms and in ensuring they fulfil their purpose, including how they provide their input to the accession negotiating process?
6. How has the government been communicating the accession-related information and associated reforms to all relevant stakeholders?
7. What are the current mechanisms for increasing and sustaining public awareness, including among the private sector, about the WTO?
8. What are the main challenges related to trade and the economy that you are facing during the accession process? This could relate to:

- a) Exchange rate and monetary policy challenges;
- b) Technical regulation challenges (e.g. TBT, SPS, others);
- c) Tariff reforms and other import regime reforms;
- d) Reforms related to trade in services (financial, telecommunications, information technology services, transportation, distribution, energy, tourism, professional services, and others);
- e) Other challenges (please specify).

What solutions have been suggested for the identified challenges? How do such solutions relate to WTO accession and associated reforms? Have any such solutions been implemented? If so, how effective have they been in addressing challenges and what were the experiences gained for the future?

9. What are the main challenges facing the country which are not related to trade? This could relate to non-trade regulatory reforms, as well as internal or external political challenges, among other challenges. What solutions have been suggested for these challenges? What have been the experiences gained so far to inform the way forward on such issues?
10. Have there been phases in the accession process where progress slowed? What were the main causes of this? What solutions were found to reactivate the process?
  - a) If the process hasn't been reactivated, what are the main challenges you are facing for the reactivation? What solutions have been suggested so far and how effective have they been?
11. Has there been continuous and strong political will behind the accession process? If so, how has it been sustained?
  - a) If not, what are the main causes of waning political will, and what has been suggested so far to reignite it?
12. What are the remaining steps to be taken in your accession process? Has the government established a road map to fulfil them? If so, please provide details of the road map.
13. What WTO-related reforms have been planned so far? How were they arrived at? Such reforms include but are not limited to the following:
  - Main steps taken to reform the direction of or adjust the implementation of trade policy;
  - Main regulatory reforms;
  - Main institutional reforms;
  - Development of infrastructure (physical and digital) and human capital;
  - Steps taken to enhance trade facilitation for goods and services;
  - Other measures to encourage/assist exports/exporters of goods and services;
  - Activities and participation in the WTO and other international organizations;
  - Interactions with existing/prospective trading partners, including in respect of preferential trade agreements.
14. Has the government conducted a technical assistance and capacity building (TA/CB) needs assessment study for the accession process? If yes, please provide a summary of the main conclusions of the study.
15. If such a study has not been conducted, how does the government view its current TA/CB needs?
16. Has the government made requests to the WTO or other organizations to fulfil your TA/CB needs? If so, please provide a brief description.
17. What has been provided in terms of TA/CB thus far? By whom? What was the most effective? (To be complemented by the Arab monetary fund TA/CB questionnaire).
18. Has the government been participating in the work of the WTO as an observer? If so, please specify the issues of interest and provide a summary description of its participation.
19. Does the government participate in any regional/preferential trade initiatives? How are these aligned with WTO rules?
20. Please provide suggestions you might have for how the WTO Secretariat can improve its support to Arab acceding governments in the accession process.

# Annex II: Questionnaire for Arab members having acceded to the WTO after 1995

## *Questionnaire for Arab members having acceded to the WTO after 1995*

### Policy context for the accession of Arab economies

1. What were the main challenges facing the economic performance before starting the accession process? Please identify challenges in order of national priority.
  - h) The desire to share experiences and best practices and to act jointly with other WTO members, including in future negotiations;
  - i) Other considerations (please specify).
2. What are the foremost important considerations behind the decision to seek membership of the WTO? For example:
  - a) Ensuring greater economic policy coherence including a trade policy direction that is supportive of the overall economic strategy;
  - b) Ensuring stability and predictability in conditions governing trade in goods and services to promote expansion of guaranteed export opportunities;
  - c) The need to diversify the economy away from dependency on a narrow export base;
  - d) Improving the domestic business environment through promoting competitive market conditions;
  - e) Attracting foreign direct investment;
  - f) Upskilling domestic human resources;
  - g) Contributing to economic and social development goals;

In the response, please address the considerations listed above according to the national order of priority, including other considerations not listed above.

### Accession process

3. How did the government establish a domestic coordination and consultative mechanism for all relevant stakeholders (governmental and non-governmental) to ensure active participation in WTO activities? Please describe how such mechanisms were structured and how they interacted to perform their functions? Was any institutional re-structuring necessary?
4. How has the government been communicating the accession-related information and reforms to all relevant stakeholders?
5. What are the current mechanisms for increasing and sustaining public awareness, including among the private sector, about the WTO?

6. What were the main challenges related to trade and the economy that you faced during the accession process? This could relate to:
  - a) Exchange rate and monetary policy challenges;
  - b) Technical regulation challenges (e.g. TBT, SPS, others);
  - c) Tariff reforms and other import regime reforms;
  - e) Reforms related to trade in services (financial, telecommunications, information technology services, transportation, distribution, energy, tourism, professional services, and others);
  - f) Other challenges (please specify).
7. What were the main challenges not related to trade? This could relate to non-trade regulatory reforms, as well as internal or external political challenges, among other challenges. What solutions were suggested for these challenges? What have been the experiences gained?
8. Were there phases in the accession process where progress slowed? What were the main causes for this? What solutions were found to reactivate the process?
9. Was there continuous and strong political will behind the accession process? If so, how was it sustained? If not, what were the main causes, and how was the political will reignited?
10. Looking back at the accession process, what general and specific recommendations do you have? What would you have liked to know from the start? What would you have done differently?
11. What WTO-related reforms have been undertaken so far? How was this achieved? Such reforms include but are not limited to the following:
  - a) Main steps taken to reform the direction of or adjust the implementation of trade policy;
  - b) Main regulatory reforms;
  - c) Main institutional reforms;
  - d) Development of infrastructure (physical and digital) and human capital;
  - e) Steps taken to enhance trade facilitation for goods and services;
  - f) Other measures to encourage/assist exports/exporters of goods and services;
  - g) Activities and participation in the WTO and other international organizations;
  - h) Interactions with existing/prospective trading partners, including in respect of preferential trade agreements.

## Post-accession

12. What WTO-related legislative and regulatory reforms were implemented in the post-accession period? What steps were undertaken to comply with accession-specific WTO commitments, including those with transition periods?
13. What were the main steps taken to reform the direction of or adjust the implementation of trade policy:
  - a) Main regulatory reforms;
  - b) Main institutional reforms;
  - c) Development of infrastructure (physical and digital) and human capital;
  - d) Steps taken to enhance trade facilitation for goods and services;
  - e) Other measures to encourage/assist exports/exporters of goods and services;
  - f) Activities and participation in the WTO and other international organizations;
  - g) Interactions with existing/prospective trading partners, including in respect of preferential trade agreements.
14. How did the government review the implementation of WTO commitments? Did the government adopt a national WTO accession implementation strategy/road map? Has the strategy been fully implemented?
15. How did WTO accession contribute to the achievement of the government's broader poverty reduction and economic development goals? What were the main implications of WTO accession for the economy (e.g. GDP, trade growth in goods and services, trade openness, trade competitiveness and diversification,

employment, balance-of-payments accounts, investment, etc.)?

16. What were the main challenges faced by the government in the post-accession stage? How did the government identify and respond to the technical assistance and capacity-building needs?
17. How did the government communicate the implementation-related information to all relevant stakeholders and the WTO? What are the mechanisms for increasing and sustaining public awareness about the WTO?
18. Please provide a summary description of the participation of your government in the work (negotiations) of the WTO. What are the

government's priorities? Are there any challenges faced as a WTO member?

19. Have there been any implications for the external policy environment? Does the government participate in any regional/preferential trade initiatives? How are these aligned with WTO membership?
20. What challenges did you face following WTO accession? How was this related to the implementation of accession commitments?

Please provide suggestions, if any, for how the WTO Secretariat can improve its support to Arab members having acceded under WTO rules in the post-accession phase.

# Annex III: Regression results for the effect of WTO accession on economic growth for Arab members having acceded after 1995

**Table 16. Regression results for the effect of WTO accession on economic growth for Arab members having acceded after 1995<sup>1</sup>**

	(1)	(2)	(3)
Variables	All Art. XII	Arab Art. XII	Arab Art. XII ex Yemen
WTO Pre-Accession Index	0.027* (0.015)	0.016 (0.021)	0.037** (0.016)
WTO Accession	0.036*** (0.012)	0.008 (0.030)	0.032 (0.023)
GATT or WTO Accession	-0.001 (0.003)	-0.000 (0.003)	0.000 (0.003)
Constant	0.332*** (0.049)	0.294*** (0.049)	0.292*** (0.049)
Observations	8,147	6,141	6,111
R-squared	0.096	0.090	0.089
Number of groups	150	111	110

Source: World Trade Organization.

Notes: Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Endnotes

1. Replication of Brotto *et al.* (2024) for subsets of Article XII economies: Coefficients are percentage-point effects on annual GDP-per-capita growth. The WTO Pre-Accession Index is positively associated with growth for all Art. XII economies (0.027,\*) and becomes statistically significant for Arab Art. XII once

Yemen is excluded (0.037,\*\*). Post-accession (Art. XII) is linked to faster growth in the full sample (+0.036,\*\*\*), while the generic GATT/WTO-membership dummy is indistinguishable from zero across columns. Standard errors in parentheses; \*, \*\*, \*\*\* denote significance at the 10/5/1% levels.

# Abbreviations

<b>AMF</b>	Arab Monetary Fund
<b>AfCFTA</b>	African Continental Free Trade Area
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>EU</b>	European Union
<b>FDI</b>	foreign direct investment
<b>FTA</b>	Free Trade Agreement
<b>GATS</b>	General Agreement on Trade in Services
<b>GATT</b>	General Agreement on Tariffs and Trade
<b>GCC</b>	Gulf Cooperation Council
<b>ICDT</b>	Islamic Centre for Development of Trade
<b>IPR</b>	intellectual property rights
<b>IsDB</b>	Islamic Development Bank
<b>LDC</b>	least-developed country
<b>LPI</b>	Logistics Performance Index
<b>MFTR</b>	Memorandum on the Foreign Trade Regime
<b>MoET</b>	Ministry of Economy and Trade (Lebanon)
<b>OIC</b>	Organisation of Islamic Cooperation
<b>PAFTA</b>	Pan-Arab Free Trade Agreement
<b>SAAVI</b>	Strengthening the agriculture and agri-food value chain and improving policy
<b>SADC</b>	South African Development Community
<b>SPS</b>	sanitary and phytosanitary
<b>TBT</b>	technical barriers to trade
<b>TFA</b>	Trade Facilitation Agreement
<b>TRIMs</b>	Agreement on Trade-Related Investment Measures
<b>TRIPS</b>	Agreement on Trade-Related Aspects of Intellectual Property Rights
<b>UAE</b>	United Arab Emirates
<b>UNDP</b>	United Nations Development Programme
<b>USAID</b>	US Agency for International Development
<b>WIPO</b>	World Intellectual Property Organization
<b>WTO</b>	World Trade Organization

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International trade plays a critical role in driving growth and development but the Arab world remains less integrated than other regions into the multilateral trading system. Only 14 of the 22 Arab League countries have joined the WTO while many of the remaining countries are engaged in lengthy and complex accession negotiations. The path towards WTO membership has confronted Arab economies with a mix of legal, economic and political hurdles, highlighting the need for broad-based reforms and stronger institutional capacities.

This publication offers policymakers and stakeholders in the Arab world a practical roadmap for achieving successful WTO accession and implementing effective post-accession reforms. Drawing on the experiences of Arab countries that have joined the WTO since 1995 - including Comoros, Jordan, Oman, Saudi Arabia and Yemen - as well as those currently in the accession process, it addresses the challenges faced throughout membership negotiations.

The publication explores how WTO accession reshapes policy, regulatory and institutional frameworks and presents recommendations on developing strategies to fully leverage WTO membership and technical assistance. Based on high-level consultations, extensive interviews and comprehensive policy analysis, this publication provides essential insights into how to advance sustainable economic development and reinforce regional stability across the Arab world.

