ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

# Legal Hurdles For Ethiopia's Accession To The Wto: Analyzing The Marrakesh Agreements

# **Tajura Tekele Tantto**

May, 2024 ADDIS ABABA, ETHIOPIA

## **Acronyms**

WTO World Trade Organization

GATT General Agreement on Tariffs and Trade

ITO International Trade Organization

LDCs Least Developed Countries

MTAs Multilateral Trade Agreements

GDP Gross Domestic Product

GATS General Agreements on Trade in Service

MFN Most-Favored Nation
NT National Treatment

Abstract: The primary goal of the WTO is to assist its members in using trade as a means to raise living standards, create jobs, and improve people's lives through increasing integration into the global economy, accessing foreign markets, attracting foreign investment, and gaining international recognition. This is one reason that motivates countries to join the WTO. However, Ethiopia, with more than 120 million populations, of which the majority needs immediate improvements in living standards, hasn't acceded to WTO agreements. Consequently, this paper aims to identify the legal issues that may have hindered Ethiopia's accession to the WTO by analyzing the Marrakesh Agreements. From a doctrinal perspective, the paper interrogated primary sources such as treaties, reports, and cases, as well as secondary sources including declarations, guidelines, and scholarly works. In analyzing the Marrakesh Agreements, the paper identified that WTO accession does not entail any substantive obligations beyond statehood, and the potential legal hurdles for Ethiopia's accession lie solely in the commitment and decision-making of the Ethiopian government. Therefore, Ethiopia must show strong commitment and concerted efforts in joining the WTO to benefit from favorable conditions, global market access, and increased foreign direct investment, leading to economic development and improving standards of living.

Keywords: WTO accession; Marrakesh Agreements; Ethiopia; Legal barriers; Substantive conditions; Procedural steps

# 1. Introduction

The WTO is the primary global institution responsible for regulating international trade between nations as well as assisting the members in using trade as a means to raise the living standards of their nationals. Its membership has become nearly universal in recent years, with 164 member countries representing 98% of world trade. Many developing countries, including those classified as the least developed, have sought to join the WTO. However, Ethiopia, despite being the most populous country in Africa and the largest in East Africa<sup>2</sup>, has not joined the organization, unlike most of its neighboring countries such as Djibouti. This is surprising considering Ethiopia's historical participation in international organizations since the League of Nations. The successive governments of Ethiopia have made unsuccessful attempts to join the GATT in 1947 and subsequently the WTO. Ethiopia has been striving for WTO membership since 2003, raising the question of why it has chosen not to join and whether there are any specific legal barriers in the WTO agreements that apply to Ethiopia.

<sup>&</sup>lt;sup>1</sup> Neo, J. (2019). *Accession to the WTO: Dynamics, Considerations, and Outcomes for Developing Countries*. London School of Economics and Political Science. Available: https://www.researchgate.net/publication/331358031

<sup>&</sup>lt;sup>2</sup> Africa countries by population (2024) worldometer, available: https://www.worldometers.info/population/countries-in-africa-by-population/

ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

This paper aims to identify the legal issues that may have hindered Ethiopia's attempts to accede to the WTO by analyzing the Marrakesh Agreements. It seeks to answer three key questions: what legal issues might have impeded Ethiopia's accession to the WTO, what substantive obligations Ethiopia needs to fulfill according to the Marrakesh Agreements, and what procedures Ethiopia must follow to join the WTO trading system. The writer of this paper will rely on primary sources such as treaties, reports, and cases, as well as secondary sources including declarations, guidelines, and scholarly works to address these questions from a doctrinal perspective.

Accordingly, this paper is structured into eight sections. Following this introduction, Section 2 will present a literature review. Section 3 will explore the legal framework governing accession. Substantive membership requirements will be examined in Section 4. Section 5 will outline the procedural steps that Ethiopia needs to undertake in order to become a WTO member. Section 6 will address the potential legal obstacles that impede Ethiopia's accession. The prospects for Ethiopia's accession will be discussed in Section 7, and the paper will conclude in the final section.

#### 2. Literature review

Existing literature on WTO accession explores various aspects of the WTO accession process from different perspectives. In this regard, some scholars used case studies to analyze the processes of individual countries, providing detailed accounts of each country's experiences during accession. For instance, the case studies examined major economies like China<sup>3</sup> as well as smaller countries such as Tonga.<sup>4</sup> These analyses reveal that the duration of the accession process is affected by the developmental challenges faced by developing countries when joining the multilateral trade regime.<sup>5</sup> The writer believes that this observation has defected when compared to the case of the Kyrgyz Republic, a poor country that achieved the fastest accession among WTO members.

In other respects, scholars in different observations agreed that the accession processes since the establishment of the WTO for later joining members have been more extensive in both scope and depth. These countries often have to undertake additional commitments and accept terms that go beyond what existing members at similar stages of development have agreed to (referred to as WTO-plus obligations). Attempts by countries to claim "developing country" status for special and differential treatment during accession negotiations have often been controversial and challenging, resulting in most countries forgoing such benefits (referred to as WTO-minus rights). In my view, this scholar observation only focuses on the practical dimension of WTO accession and has no direct relevance to the issue in this paper.

Besides, some scholars have specifically examined the motivations behind countries seeking entry into the WTO and its predecessor, the GATT. While recognizing that countries consider the benefits and costs of membership when deciding to join the institution, these studies aim to explain why these benefits and costs matter more at certain points in time, leading to a country's decision to pursue accession. In this context, the arguments that scholars raise are that the country's reliance on existing members for trade is correlated with earlier accessions because accession provides a means to secure market access with multiple trading partners simultaneously. Thus, trade dependence is necessary but not sufficient for accession, and a country's existing commitments to preferential agreements reduce its likelihood of accession at any given time. The second argument suggests that more democratic countries tend to accede to the WTO earlier. Drawing from the broader literature on international organizations, scholars have argued that democratizing states join international institutions to credibly commit to liberal democratic and economic reforms. Others have claimed that newly established democracies are particularly inclined to utilize international regimes as a safeguard against threats from non-democratic forces within their own countries.

In other respects, literature on Ethiopian accession also highlights different observations. In this regard, Mequnint's article discusses the challenges and prospects of Ethiopia's special reference to the WTO accession process, including the vague guidelines, burdensome negotiations, and lack of clear procedures, as well as the need for capacity-building and technical assistance for

<sup>&</sup>lt;sup>3</sup> Ianchovichina, E., and Martin, W., 2001. *Trade Liberalization in China's Accession to the WTO*. Journal of Economic Integration, 16(4), p. 425

<sup>&</sup>lt;sup>4</sup> Wallis, J., 2010. 'Friendly Islands' in an Unfriendly System: Examining the Process of Tonga's WTO Accession. Asia Pacific Viewpoint, 51(3), p. 266

<sup>&</sup>lt;sup>5</sup> Langhammer, R.J., and Lücke, M., 2001. WTO Negotiations and Accession Issues for Vulnerable Economies. [pdf] United Nations University, World Institute for Development Economics Research.

<sup>&</sup>lt;sup>6</sup> Brazys, S., 2014. Outside Looking In: Non-Accession to the WTO. Cambridge Review of International Affairs, 27(4), p. 644.

<sup>&</sup>lt;sup>7</sup> Mansfield, E.D., Milner, H.V., and Rosendorff, B.P., 2002. *Why Democracies Cooperate More: Electoral Control and International Trade Agreements*. International Organization, 56(3), p. 479

<sup>&</sup>lt;sup>8</sup> Moravcsik, A., 2000. *The Origins of Human Rights Regimes: Democratic Delegation in Postwar Europe*. International Organization, 54(2), p. 218

ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

successful accession. Besides, the other writer argues the challenges of rigid policies in the service sector and the lack of trained manpower in trade areas as factors contributing to delays in the accession process. 10

However, as the writer observed in the course of the literature review, there is no sufficient research or scholarly work that analyzes legal hurdles in relation to Ethiopia's accession to the WTO in light of the of the Marrakesh agreements. Thus, this paper aims to dig out legal hurdles that might hinder Ethiopia from joining the WTO by analyzing Marrakesh agreements.

## 3. Legal frameworks to accession

As far as legal framework concerned, the WTO Agreements, rule of the accession procedure and guidelines for accession of the LDC are the most relevant one and briefly discussed as follows. Article XII of the Marrakesh Agreement establishes the rules for the WTO accession process is the most important one. It consists of three brief paragraphs that outline general conditions for accession which read as follows.

- 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. 11

The basis for Article XII of the WTO Agreement can be traced back to Article XXXIII of the GATT 1947, which outlined the accession process and allowed a government to join the GATT based on agreed terms with the GATT CONTRACTING PARTIES. Originally, in 1947, the GATT was intended to be incorporated into the planned ITO, and the membership rule of the ITO indicated majority voting without specific reference to negotiated terms. <sup>12</sup> From a legal perspective, there haven't been any significant changes over the years.

According to Article XII of the WTO Agreement, any state or customs territory that has full control over its external trade relations and other relevant matters can join the agreement. The terms of accession are determined through mutual agreement between the state or territory and the WTO. In this context, Ethiopia as one of the oldest state in world can join WTO so long as other procedural requirement met.

Nonetheless, many academic literatures argue that the article lacks specifications on membership requirements, negotiation procedures, and agreed terms. Additionally, it lack of clear guidelines for new members on joining the WTO and agreeing to terms creates the potential for lengthy and burdensome accession processes that can span over a decade. <sup>13</sup>

In this regard, however, to offer guidance, the WTO Secretariat, in collaboration with its members, has developed a set of accession procedures.<sup>14</sup> These procedures are heavily influenced by the practices of GATT contracting parties. The guidelines, sketched in WTO documents WT/ACC/1, 4, 5, and 9, outline the various stages involved in the accession process including: (a) applying for and forming a Working Party; (b) examining the Foreign Trade Regime of the state or separate customs territory; (c) negotiating commitments on goods and services; (d) agreeing on the Working Party's report; and (e) finalizing the terms of accession through a

<sup>&</sup>lt;sup>9</sup>Birhan, M. (2021). *Challenges and Prospects of the WTO Special Reference for Ethiopi*a [Research Report] Retrieved from https://www.researchgate.net/publication/355586350

<sup>&</sup>lt;sup>10</sup> Gebrehiwot, B. A., & Telaye, A. (2015). *What shapes Ethiopia's foreign economic policy? The case of Ethiopia's accession to the WTO*. Retrieved from https://www.researchgate.net/publication/281614839

<sup>&</sup>lt;sup>11</sup>World Trade Organization. (1995). *Marrakesh Agreement establishing the World Trade Organization* (with final act, annexes and protocol). Concluded at Marrakesh on 15 April 1994 (Vol. 1867, No. 31874), article XII

<sup>&</sup>lt;sup>12</sup> Articles 17.2 and 75.2 of the Charter of the International Trade Organization (not in force).

<sup>&</sup>lt;sup>13</sup> Mequanint Birhan(2021), Challenges and Prospects of WTO Special Reference of Ethiopia, Research Gate; available: at: https://www.researchgate.net/publication/355586350

<sup>&</sup>lt;sup>14</sup> WT/ACC/1 of 24 March 1995.

ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

Protocol.<sup>15</sup> However, it is important to note that these procedures are not intended to be a comprehensive policy statement on accession negotiations, but rather a practical resource to assist in the negotiation process.

Besides, several other provisions within the WTO are relevant to the accession process. Article XVI: 1 state that the decisions, procedures, and customary practices of the CONTRACTING PARTIES to GATT 1947, as well as the bodies established within the framework of GATT 1947, serve as guidance for the WTO, unless otherwise specified under the Agreement or the MTAs. Also, Article XII: 2 specify that decisions regarding accession are made by the Ministerial Conference. In the absence of the Ministerial Conference, as mentioned in Article IV: 2, the General Council assumes its functions. Article IX addresses decision-making processes. On November 15, 1995, the General Council established procedures for decision-making under Articles IX and XII of the WTO Agreement. These procedures clarified the relationship between the two provisions and can be found in WT/GC/M/8, page 6.

Moreover, Article XIII, paragraphs 1 and 3, state that:

- "1. This Agreement and the Multilateral Trade Agreements in Annexes 1 and 2 shall not apply as between any Member and any other Member if either of the WT/ACC/10/Rev.4 Page 4 Members, at the time either becomes a Member, does not consent to such application. [...]
- 3. Paragraph 1 shall apply between a Member and another Member which has acceded under Article XII only if the Member not consenting to the application has so notified the Ministerial Conference before the approval of the Agreement on the terms of accession by the Ministerial Conference".

Lastly, but not least, it should be noted that WTO members made a commitment in paragraph 42 of the Doha Ministerial Declaration in 2001 to actively support and expedite the accession process for LDCs. As a result, specific guidelines for the accession of LDCs were established and approved by the General Council Decision in 2002.<sup>16</sup>

#### 4. Substantive conditions for membership

As mentioned in the previous section, the requirements for joining the WTO are outlined in Article XII of the WTO Agreement. According to this article, any state or customs territory that has full control over its trade policies can become a member of the WTO under mutually agreed terms with existing WTO members. While the majority of WTO members are sovereign states, Article XII allows trading partners that are not fully sovereign states to join as well. For these trading partners to be eligible for accession, they must satisfy two conditions: they must be distinct customs territories and possess complete autonomy in conducting their external commercial relations. Once these conditions are met, separate customs territories are granted the same rights and responsibilities as any other WTO member.

In the case of states, the WTO agreements do not impose any additional substantive requirements beyond statehood. Therefore, as long as Ethiopia meets these substantive conditions and no other obligations are stipulated in the agreements, it can become a member of the WTO. The next step for Ethiopia is to follow the procedural requirements to attain full membership in the WTO, which will be discussed in subsequent sections.

#### 5. Procedural steps Ethiopia should pass

According to Article XII of the WTO Agreement, any state or separate customs territory that possesses full autonomy in its external commercial relations has the opportunity to become a member of the WTO.<sup>17</sup> As part of the accession procedure outlined in the Marrakesh agreements of 1995, 36 states, including a majority of developing countries, joined the WTO. Therefore, Ethiopia needs to successfully complete the accession procedure in order to become a party to the WTO agreements. However, despite engaging in negotiations for the past decade, Ethiopia has not yet become a member, which raises the question of why this is the case. Unfortunately, it is challenging to determine the precise reasons from Ethiopia's perspective. The terms of accession are subject to negotiation between the state or territory seeking membership and existing WTO members. Once accession is granted, it entails adherence to the WTO Agreement and the MTAs associated with it. Consequently, Ethiopia must follow the prescribed negotiation procedures outlined in Article XII for its accession to the WTO.<sup>18</sup> These are:-

<sup>&</sup>lt;sup>15</sup> World Trade Organization. (2008). WT/ACC/10/Rev. 3: Accession Procedures.

<sup>&</sup>lt;sup>16</sup> World Trade Organization. (2012, July 30). Accession of Least-Developed Countries: Decision of 25 July 2012 (Addendum). WT/L/508/Add.1.

<sup>&</sup>lt;sup>17</sup> World Trade Organization (WTO), adopted in 1994, art. XII

<sup>&</sup>lt;sup>18</sup> World Trade Organization (WTO), accession procedure, WT/ACC/1, 24 March 1995, (95-0651)

Vol. 8 Issue 5 May - 2024, Pages: 58-65

## a) Application

In order for Ethiopia to join the WTO, it must formally express its intention to accede by submitting a communication to the Director-General of the WTO.<sup>19</sup> Ethiopia initiated its application in 2003. This communication is subsequently circulated to all WTO Members. Following this, the General Council establishes a working party to assess the accession application. The working party's task is to review the application and provide recommendations, including a draft protocol of accession.<sup>20</sup>

# b) Foreign Trade Regime

The Applicant provides a detailed Memorandum to the WTO, which includes information about its foreign trade system and relevant statistical data for the circulation to all Members of the WTO. Simultaneously, the working party members are provided with copies of the Applicant's current tariff schedule in the harmonized system (HS) nomenclature, as well as other laws and regulations that are relevant to the accession process.<sup>21</sup> Once the examination of the foreign trade system has made significant progress, the working party members have the option to begin bilateral negotiations on market access for goods and services, as well as other terms that need to be agreed upon.<sup>22</sup>

#### c) Outline of Schedules for negotiation

The procedures for negotiating schedules concessions and commitments on goods and services can be summarized as follows:

- (i) For goods, interested Members submit requests and the Applicant provides initial offers or tables a draft Schedule of Concessions and Commitments. Negotiations then proceed bilaterally based on these proposals.
- (ii) For services, interested Members submit requests and the Applicant provides a draft Schedule of Specific Commitments, or the Applicant tables a draft Schedule followed by requests from interested Members. Bilateral negotiations take place based on these proposals.
- (iii) Once bilateral negotiations are concluded, the Schedule of Concessions and Commitments to GATT 1994 and the Schedule of Specific Commitments to the GATS are prepared, reviewed multilaterally, and included as an integral part of the draft Protocol of Accession.

# d) Agreement on Report of working party

The discussions in the working party are summarized in the Report, which includes a draft Decision and Protocol of Accession, and may incorporate some accession commitments.<sup>23</sup> Once negotiations are concluded and the working party completes its mandate, the Report, along with the draft Decision and Protocol of Accession, is submitted to the General Council/Ministerial Conference and it will be adopted.

# e) Protocol of Accession and Entry into Force

The Ministerial Conference holds the authority to make decisions regarding accession.<sup>24</sup> After adoption by the Council/Conference and approval by a two-thirds majority vote, the Protocol of Accession becomes effective within thirty days of acceptance by the Applicant.<sup>25</sup>

## 6. The Legal Issues Hindering Ethiopia's Accession: Is there?

As discussed in Section 3, the legal frameworks governing WTO accession include the WTO agreements, the accession procedure, and the guidelines for the accession of LDCs. These frameworks establish both substantive conditions and procedural requirements that must be fulfilled by states or separate customs territories with autonomy over foreign trade relations.

According to Article XII.1 of the Marrakesh Agreement, any state or separate customs territory that possesses full autonomy in conducting its external commercial relations can join the WTO. The only substantive conditions for accession are statehood and

<sup>20</sup> Ibid, Para. 5

<sup>&</sup>lt;sup>19</sup> Ibid, Para. 4

<sup>&</sup>lt;sup>21</sup> Ibid, para. 9

<sup>&</sup>lt;sup>22</sup> Ibid, para. 12

<sup>&</sup>lt;sup>23</sup> Supra note, n.18, Para. 14

<sup>&</sup>lt;sup>24</sup> Supra note, 17, article XII. 2

<sup>&</sup>lt;sup>25</sup> Ibid, Para. 15

ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

separate customs authority, regardless of the procedural requirements outlined in subsequent paragraphs of Article XII.<sup>26</sup> While the substantive conditions are straightforward, the WTO frameworks have been criticized for their brevity and generality. To provide guidance within this generality, the WTO Secretariat has adopted an accession procedure that outlines the detailed steps for joining. Additionally, in 2002, the WTO adopted guidelines for the accession of LDCs, which offer preferential treatment to facilitate their accession. These guidelines take into account the level of development of LDCs and provide technical assistance to enhance their accession process. This has led some to argue that the WTO framework creates favorable conditions for developing countries rather than developed ones.

In terms of substantive conditions, Ethiopia, as one of the oldest states in the world, fulfills the criteria of statehood and can join the WTO based on these requirements. The WTO framework does not impose any specific substantive obligations that Ethiopia must meet for accession, apart from statehood. Instead, it lays out procedural requirements that certain states need to fulfill during the accession process. However, some writers argue that the accession process can be burdensome and time-consuming. In my opinion, the lengthy duration of the accession process can be attributed to the lack of commitment of acceding countries in complying with the procedural requirements. For instance, Kyrgyzstan, one of the poorest countries in Central Asia, achieved WTO membership within 34 months, which remains the fastest accession. The success of Kyrgyzstan can be attributed to the government's strong emphasis on a foreign trade liberalization policy, which is one aspect of the procedural requirements for accession. Therefore, what matters most is the commitment of the acceding government throughout the accession process, rather than the framework provided by the WTO. Consequently, one can conclude that Ethiopia's absence from the WTO is primarily due to a lack of commitment to comply with the procedural requirements for accession.

In analyzing the Marrakesh Agreements, it becomes evident that WTO accession does not entail any substantive obligations beyond statehood, and the potential legal hurdles for Ethiopia's accession lie solely in the commitment and decision-making of the Ethiopian government.

# 7. Prospects for Ethiopia's Accession

Ethiopia's potential accession to the WTO holds the promise of numerous sector-specific benefits. In the service sector, where services play a vital role in the economic development of developing countries, often contributing over 40% to GDP.<sup>28</sup> Ethiopia's adherence to Most Favored Nation or National Treatment principles in the service sector can lead to numerous advantages, such as enhanced domestic competition, improved service quality, broader access to new service channels, faster service delivery, better credit assessment procedures, expanded product choices and suppliers, simplified risk diversification, heightened competition, improved intermediation, and knowledge and technology transfer.<sup>29</sup> Besides, Ethiopia can benefit from Article XIX of the GATS, special treatment for least-developed countries, and negotiated modalities for opening fewer sectors and liberalizing fewer transactions.<sup>30</sup> This, Ethiopia's cautious and cost-effective approach to service sector reform aligns with its development objectives, granting the country the flexibility to open up its service sectors and expand market access based on its specific needs.<sup>31</sup>

In respect to investment, Ethiopia's membership in the WTO can attract investment, which is seen as a powerful driver of economic growth, as Accession offers concessions and commitments that appeal to investor interests, including protection of property rights and political stability.<sup>32</sup> WTO membership guarantees an open and transparent market with clear trade policies, offering a secure legal framework for investors, while also granting Ethiopia MFN and NT status, promoting non-discriminatory trade and creating favorable conditions for foreign investment.<sup>33</sup> WTO accession provides a stable and open policy environment, attracting investment and assuring investors of Ethiopia's commitment to an open and stable policy regime, while agreements like TRIMS and TRIPS support long-term economic growth by promoting technology acquisition and protecting intellectual property.<sup>34</sup> WTO membership

<sup>28</sup> Blackstone, B. (1997). Measuring the Elusive Services Sector in the Service Economy. CSI, 11(1).

<sup>&</sup>lt;sup>26</sup> Articles XII.2 and 3 of the Marrakesh agreement.

<sup>&</sup>lt;sup>27</sup> Supra note 1, p. 22

<sup>&</sup>lt;sup>29</sup> Shewarega, W. (2008). Ethiopia's Accession to the WTO and the Potential Benefits of Membership. Paper presented at the Conference on Law and Economic Development, Addis Ababa, Ethiopia (USAID).

<sup>&</sup>lt;sup>30</sup> Mattoo, A. (2000). Developing Countries in the New Round of GATS Negotiations: Towards a Pro-Active Role. World Economy, 23(4), 471-489.

<sup>&</sup>lt;sup>31</sup> Martha, B. (2000). SDT for DCs and LDCs Countries in the WTO. Ethiopian Business Law Series, 2, 123.

<sup>&</sup>lt;sup>32</sup> Svensson, J. (1998). Investment, Property Rights and Political Instability: Theory and Evidence. European Economic Review, 42(7).

<sup>&</sup>lt;sup>33</sup> GATT, (1994), Articles 1 and 3

<sup>&</sup>lt;sup>34</sup> Abebe, S. (Year). *Accession to the WTO: Brightening the Prospect for Attraction of Investment*? A Least Developed Country's Perspective. Ethiopian Business Law Series, 2, 42-45.

ISSN: 2643-9670

Vol. 8 Issue 5 May - 2024, Pages: 58-65

boosts the country's reputation, attracts foreign direct investment with predictable and transparent policies, and reinforces domestic policies and trade systems, preventing arbitrary changes in trade-related laws and policies.<sup>35</sup>

In respect to Market Access, WTO accession is an important step for Ethiopia to ensure predictable and secure access to international markets for its products. Membership in the WTO provides transparent and stable market conditions.<sup>36</sup> Through bilateral negotiations, Ethiopia can expand its market access and improve trade opportunities with major export markets.<sup>37</sup> The government's main reasons for seeking WTO membership are to accelerate economic growth, attract foreign investment, and influence globalization. WTO membership offers more stable and predictable benefits compared to unilateral measures.<sup>38</sup>

However, Ethiopia should be aware that import restrictions based on environmental protection may still apply, despite WTO membership. While Ethiopia's WTO membership does not guarantee unrestricted access to foreign markets, it is important for Ethiopia to align its import restriction policies with international standards to avoid potential conflicts. Despite facing challenges such as remoteness, reliance on raw material exports, weak administrative capacities, and limited market-oriented infrastructure, joining the WTO offers Ethiopia improved market access and the opportunity to benefit from future trade commitments. Remaining outside the WTO could result in discriminatory tariffs and individual negotiations for border measures, placing Ethiopia at a disadvantage. For least developed countries like Ethiopia, the WTO plays a critical role in providing predictability, security, and transparency in market access, given their limited bargaining power.<sup>39</sup>

#### 8. Conclusion

The WTO is an international organization of nearly universal membership that plays a crucial role in promoting global trade liberalization. By acceding to the WTO, any state or separate customs authority that is motivated to join can benefit from enhanced integration into the world economy. Membership offers several advantages, including securing MFN status, obtaining protection against arbitrary protectionist measures imposed by trading partners, participating in the development of international trade rules, and gaining access to an impartial mechanism for resolving trade disputes.

The process of joining the WTO does not impose any substantive obligations or conditions on states other than the requirement of statehood. This applies to Ethiopia as well, which is the most populous country outside of the existing WTO membership categories. The only requirement for Ethiopia to become a member is to fulfill the procedural requirements outlined in the Marrakesh agreements and accession procedures. The WTO agreements do not present any legal barriers that prevent Ethiopia from joining; instead, they offer preferential treatment and technical assistance to LCDs like Ethiopia, in accordance with the Doha Declaration.

However, despite the absence of any logical reasoning against joining, Ethiopia has not yet become a member of the WTO. This indicates a lack of commitment on the part of the Ethiopian government and a decision to refrain from joining the organization.

Therefore, it is essential for Ethiopia to demonstrate strong commitment and make concerted efforts to join the WTO. Accession to the WTO would create favorable conditions for the Ethiopian people, facilitate global market access, and attract foreign direct investment, ultimately benefiting the country's economic development and improves the standard of living.

#### References

Abebe, S. (Year). Accession to the WTO: Brightening the Prospect for Attraction of Investment? A Least Developed Country's Perspective. Ethiopian Business Law Series, 2, 42-45.

Adugna, W. B. (2006). Ethiopia's Accession to the WTO with Emphasis on Foreign Market Access. (Master's thesis). Addis Ababa University.

Africa countries by population (2024) worldometer, available: <a href="https://www.worldometers.info/population/countries-in-africa-by-population/">https://www.worldometers.info/population/countries-in-africa-by-population/</a>

www.ijeais.org/ijamr

<sup>&</sup>lt;sup>35</sup> Maxell, K. (2005). Evaluating WTO Accession: Legal and Economic Perspectives. (p. 31).

<sup>&</sup>lt;sup>36</sup>International Trade Center. (Year). *Trade Capacity for Acceding LDC's: Speaking Notes for Patricia Francis*. Palais des Nations, CH-1211, Geneva 10, Switzerland.

<sup>&</sup>lt;sup>37</sup> H., J., W., & S., A. (1995). Legal Problems of International Economic Relations (p. 336). Cambridge University.

<sup>&</sup>lt;sup>38</sup> Adugna, W. B. (2006). Ethiopia's Accession to the WTO with Emphasis on Foreign Market Access. (Master's thesis). Addis Ababa University.

<sup>&</sup>lt;sup>39</sup> Ibid

- Birhan, M. (2021). Challenges and Prospects of the WTO Special Reference for Ethiopia [Research Report] Retrieved from https://www.researchgate.net/publication/355586350
- Blackstone, B. (1997). Measuring the Elusive Services Sector in the Service Economy. CSI, 11(1).
- Brazys, S., 2014. Outside Looking In: Non-Accession to the WTO. Cambridge Review of International Affairs, 27(4), pp. 644-665.
- Gebrehiwot, B. A., & Telaye, A. (2015). What shapes Ethiopia's foreign economic policy? The case of Ethiopia's accession to the WTO. Retrieved from https://www.researchgate.net/publication/281614839
- H., J., J., W., & S., A. (1995). Legal Problems of International Economic Relations (p. 336). Cambridge University.
- Ianchovichina, E., and Martin, W., 2001. Trade Liberalization in China's Accession to the WTO. Journal of Economic Integration, 16(4), pp. 421–45
- International Trade Center. (Year). Trade Capacity for Acceding LDC's: Speaking Notes for Patricia Francis. Palais des Nations, CH-1211, Geneva 10, Switzerland.
- Langhammer, R.J., and Lücke, M., 2001. WTO Negotiations and Accession Issues for Vulnerable Economies. [pdf] United Nations University, World Institute for Development Economics Research.
- Mansfield, E.D., Milner, H.V., and Rosendorff, B.P., 2002. Why Democracies Cooperate More: Electoral Control and International Trade Agreements. International Organization, 56(3), pp. 477–513
- Martha, B. (2000). SDT for DCs and LDCs Countries in the WTO. Ethiopian Business Law Series, 2, 123.
- Mattoo, A. (2000). Developing Countries in the New Round of GATS Negotiations: Towards a Pro-Active Role. World Economy, 23(4), 471-489.
- Maxell, K. (2005). Evaluating WTO Accession: Legal and Economic Perspectives. (p. 31).
- Mequanint Birhan(2021), Challenges and Prospects of WTO Special Reference of Ethiopia, Research Gate; available: at: https://www.researchgate.net/publication/355586350
- Moravcsik, A., 2000. The Origins of Human Rights Regimes: Democratic Delegation in Postwar Europe. International Organization, 54(2), pp. 217–252.
- Neo, J. (2019). Accession to the WTO: Dynamics, Considerations and Outcomes for Developing Countries. London School of Economics and Political Science. Available: <a href="https://www.researchgate.net/publication/331358031">https://www.researchgate.net/publication/331358031</a>
- Shewarega, W. (2008). Ethiopia's Accession to the WTO and the Potential Benefits of Membership. Paper presented at the Conference on Law and Economic Development, Addis Ababa, Ethiopia (USAID).
- Svensson, J. (1998). Investment, Property Rights and Political Instability: Theory and Evidence. European Economic Review, 42(7).
- Wallis, J., 2010. 'Friendly Islands' in an Unfriendly System: Examining the Process of Tonga's WTO Accession. Asia Pacific Viewpoint, 51(3), pp. 262-277
- World trade organization (WTO), accession procedure, WT/ACC/1, 24 March 1995, (95-0651)
- World Trade Organization. (1995). Marrakesh Agreement establishing the World Trade Organization (with final act, annexes and protocol). Concluded at Marrakesh on 15 April 1994 (Vol. 1867, No. 31874)
- World Trade Organization. (2008). WT/ACC/10/Rev. 3: Accession Procedures.
- World Trade Organization. (2012, July 30). Accession of Least-Developed Countries: Decision of 25 July 2012 (Addendum). WT/L/508/Add.1.