



Support for Lebanon's WTO Accession – Meeting with CCIB

Beirut, Lebanon
August 16, 2010

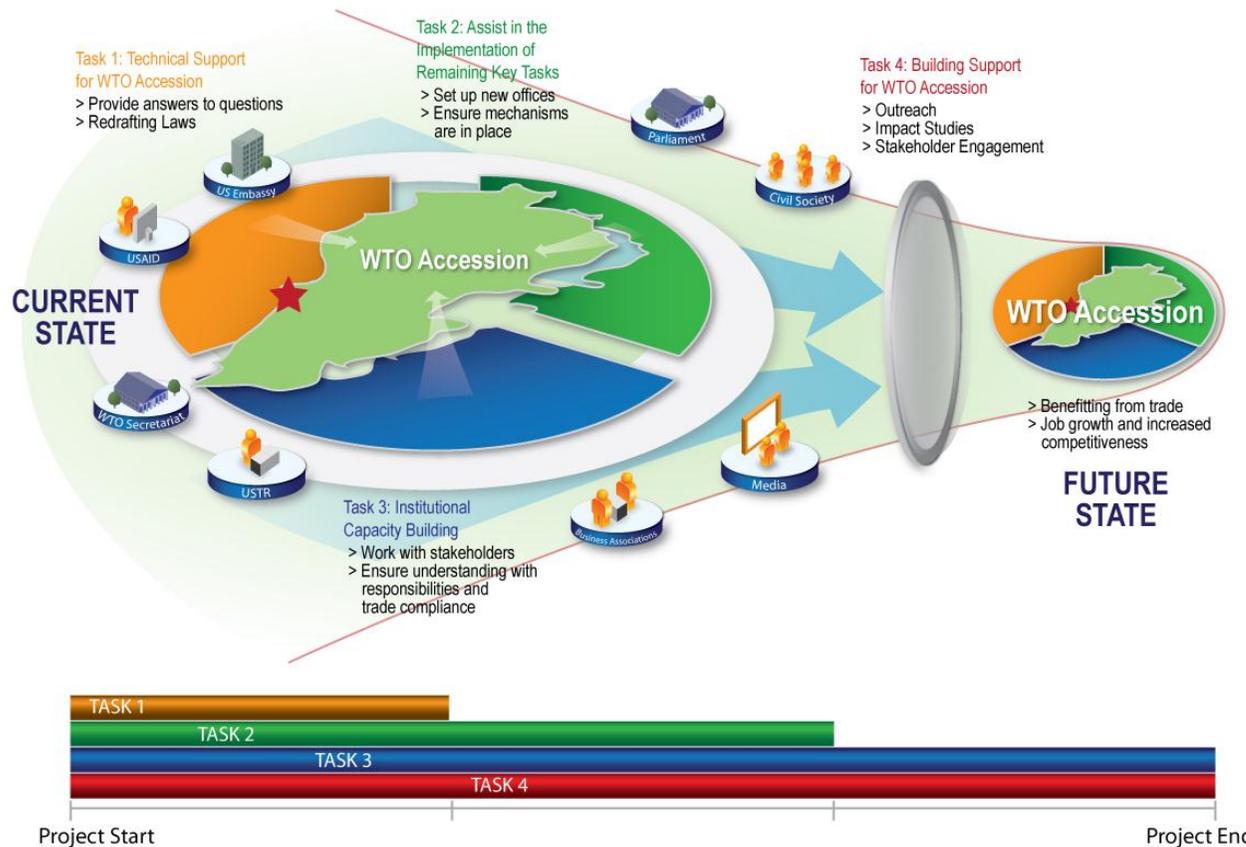
Agenda

- Project Overview
- The World Trade Organization - Overview
- Lebanon's Accession to the WTO
- Role of Civil Society/ Private Sector in WTO Accession
- Lessons Learnt
- Recommendations

Project Overview

- **USAID funded Project : “Support for Lebanon’s WTO Accession”**
- **OBJECTIVE:** To assist the Government of Lebanon (GOL) in completing the process of acceding to the WTO by 2010, building the capacity within the GOL institutions to meet the obligations undertaken under the accession, introducing the necessary reforms to fully comply with all the WTO agreements, and building the internal support for WTO accession to ensure sustainability of the reforms and maximization of the benefits from accession.
- The results we achieve with the GOL and the private sector will create a better trade and business environment that assists in the stimulation of economic growth and job creation by fostering trade, enhancing competitiveness, and expanding private sector investment.
 - Task 1: Technical Support for WTO Accession
 - Task 2: Implementation of Remaining Key Reforms
 - Task 3: Institutional Capacity Building
 - Task 4: Building Support for WTO Accession

The Project has an integrated approach to WTO Accession, maximizing flexibility and responsiveness



As demonstrated by the adjacent figure, implementation of reforms (Task 2) must begin even while the accession process (Task 1) is ongoing. Reform and accession cannot occur in the absence of capacity among Lebanese stakeholders (Task 3). Without the support and engagement of civil society and the private sector (Task 4), the likelihood of success in all other Tasks is limited.

The World Trade Organization (1)



- FROM HAVANA TO GENEVA
- 1946-1947

The World Trade Organization (2)

Negotiations Rounds

- 1947 GENEVA
- 1949 ANNECY
- 1951 TORQUAY
- 1956 GENEVA
- 1961 DILLON
- 1964-67 KENNEDY
- 1973-79 TOKYO
- 1986-94 URUGUAY
- 2001- date Doha

The World Trade Organization (3)

GENEVA 1947



- Geneva (1947)
- 23 Countries (15000 T.Lines)
- GATT Establishment

The World Trade Organization (4)

GENEVA 1947



- Annecy (1949)
- 13 Countries (5000 T.Lines)
- Tariffs

The World Trade Organization (5)

DILLON ROUND 1961

C.G DOUGLAS



- Dillon Round
- 45 Countries (4400 T.Lines)
- Tariffs & NTMs

The World Trade Organization (6)

J.F. KENNEDY ROUND

1964-67



- Kennedy Round (1964-67)
- 62 Countries (33000 T.Lines)
- Tariffs, NTMs & Anti Dumping

The World Trade Organization (7)

TOKYO ROUND - 1973-1979



- Tokyo Round (1973-79)
- 99 Countries 1/3rd. of T.Lines)
- Tariffs & NTMs
- Plurilateral Agreements
- Enabling Clause

The World Trade Organization (8)

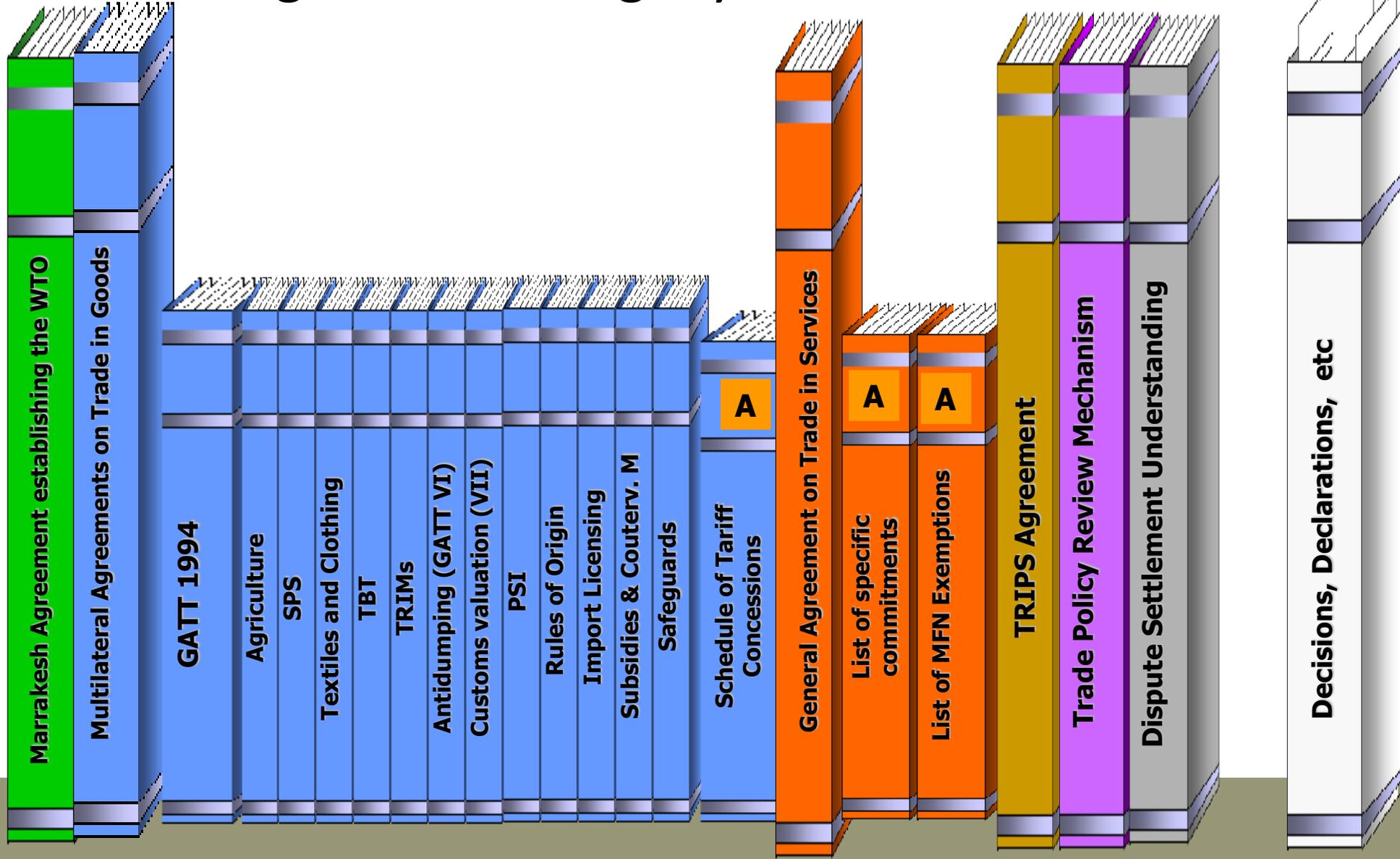
URUGUAY ROUND 1986-1994



- Uruguay Round (1986-93)
- 125 Countries (1/3rd of T.Lines)
- Tariffs +++++

The World Trade Organization (9)

The Legal Texts: Uruguay Round



The World Trade Organization (10)

Uruguay Results

- 125 participants
- 60 Agreements & Decisions
- Over 26,000 pages of Instruments, Schedules, and Declarations....
- Expanded and Strengthened Multilateral Trading System (MTS)
- Creation of the World Trade Organization (WTO)

The World Trade Organization (11)

DOHA ROUND 2001 - PRESENT



- The Doha Development Round or Doha Development Agenda (DDA) is the current trade-negotiation round of the WTO) which commenced in November 2001
- Its objective is to lower trade barriers around the world, which allows countries to increase trade globally
- As of 2008, talks have stalled over a divide on major issues, such as agriculture, industrial tariffs and non-tariff barriers, services, and trade remedies

The World Trade Organization (12)

The Doha Round -Time frame

- 2001 DOHA DECLARATION
- 2003 CANCUN SET-BACK
- 2004 JULY PACKAGE
- 2005 HONG KONG REVIVAL
- 2006 DDA SUSPENTION
- 2008 CHAIRPERSONS MODALITIES
- 2008 JULY MINI MINISTERIAL
- 2009 G20&G-8+G5 PLEDGES

The World Trade Organization (13)

Facts

- 153 countries are currently members of the WTO
- 30 countries are in the process of acceding to the WTO including Lebanon, Algeria, Sudan and Yemen, Syria, Libya, Iraq, Somalia, and Comoros Islands. 12 other Arab countries are members of the WTO
- Currently more than 90% of world trade in the areas of goods and services is carried out under the WTO system

The World Trade Organization (14)

WTO Functions

- Administering WTO Agreements
- Trade Negotiating Forum for New Agreements & Disciplines
- Dispute Settlement Body
- Monitoring National Trade Policies Review Mechanism (TPRM)
- Technical Assistance & Capacity Building for LDCs
- Coherence in Global Economic Policy making

The World Trade Organization (15)

WTO Main Principles

1. Most-Favored-Nation (MFN) Treatment with certain exceptions
2. National Treatment (non-negotiable for goods; negotiable for services)
3. Protection mainly through Import Duties that are Bound
4. Quantitative Restrictions (QRs) only under Special Circumstances

The World Trade Organization (16)

WTO Main Principles Ctd

5. Unfair Trade Measures (Anti-Dumping, Countervailing, and safeguards: AD/CVD/SG)
6. Trade/Customs fees Reflective of Cost Services Rendered
7. No Unnecessary Formalities
8. Technical Barriers to Trade (TBT) not more Trade Restrictive than Necessary to Achieve Legitimate Objectives
9. Sanitary and Phytosanitary (SPS) Measures based on Science

The World Trade Organization (17)

WTO Main Principles Ctd

10. Protection of Intellectual Property Rights

11. Scheduled Market Access on Services and Treatment of Foreign Service Suppliers

12. Transparent Government Procurement

13. Protection of Confidential Business Data

14. Transparent Rule of Law Based on Best International Practices

The World Trade Organization (18)

WTO Development Impact – World Trade Expansion

- US\$ 50 Bio IN 1948
- US\$ 50 Bio IN 1948
- ie: 316 Times Increase in the Value of World Trade

The World Trade Organization (19)

WTO Development Impact – Trade Liberalization

- 66000 Tariff Concessions + Linear-Cut Formulae
- Lower Average Tariff Rates:
 - 2.9% For Hi Income OECD Countries
 - 8.8% For World

The World Trade Organization (20)

WTO Development Impact – Trade Diversification

- 1953: MANUFACTURES TRADE BYPASS AGRICULTURE
- 1963: MAN MADE FIBRES BY-PASS NATURAL FIBERS
- 1995: SERVICES GROW LARGER THAN AGRICULTURE & FASTER THAN MANUFACTURES
- 1997: ITA AGREEMENT EXPANDED ITC EQUIPMENT AND TECHNOLOGY.

The World Trade Organization (21)

WTO Development Impact – World Trade Stability

- LEGAL RULES
- COUNTRY COMMITMENTS
- ENQUIRY POINTS & NOTIFICATIONS
- REGULAR TRADE POLICY REVIEW
- FAIR DISPUTE SETTLEMENT MECHANISM

The World Trade Organization (22)

WTO Development Impact

- ART. XVIII: ON BALANCE OF PAYMENTS
- PART IV: ON DEVELOPMENT
- UNCTAD/GATT/ITC
- ENABLING CLAUSE

The World Trade Organization (23)

Legal Instruments

- DIFFERENTIAL & SPECIAL TREATMENT IN DDA
- LEAST DEVELOPED COUNTRIES
- JITAP
- AID FOR TRADE

The World Trade Organization (24)

WTO Development Impact

- Half of the G-20 Countries are WTO Developing Members Countries
- Argentina-Brazil-Mexico-China-India-Indonesia-South Korea-Saudi Arabia-Turkey-South Africa
- WTO CHAIRPERSONS
- Developing Countries Occupy 26 Chairpersons Positions out of 40 WTO Committees and Bodies
- ie 65% of WTO Chairpersons are from Developing Countries

Lebanon's Accession to the WTO (1)

- February 1999- Request for accession
- April 1999 – Working party established and Lebanon is granted WTO observer status
- May 2001- Memorandum of Foreign Trade Regime submitted
- 7 Working Party Meetings held so far (Latest October 28, 2009)
- Lebanon submitted the answers to the last set of Questions and Answers on May 2010.
- WTO required documentation submitted
- Draft Final Report initiated
- Bilaterals – under way but not concluded

Lebanon's Accession to the WTO (2)

Legal Reform:

- 2 WTO laws enacted
- More than 12 other legislations enacted/amended
- More legislations still pending (including draft laws/International Treaties/other regulations)

Lebanon's Accession to the WTO (3) – Next Steps

- Schedule an 8th Working Party Meeting
- Enact pending legal reform
- Set priorities in the negotiation process
- Conclude Multilateral/bilateral negotiations
- Political will – political support for the accession
- Continue to build capacities of relevant authorities and the negotiation team – WTO accession is a learning process for all involved

Role of the Civil Society/Private Sector in WTO Accession (1)

- Effective trade policy formulation involves government transparency in order to facilitate a minimum level of public knowledge on the issues and ability of civil society to contribute meaningfully to the debate on trade policy choices
- Trade Policy Formulation Mechanisms: Many Developed and Developing Countries Models

Role of the Civil Society/Private Sector in WTO Accession (2)

Brazil

- Continuous coordination between public agencies and public and private-sector representatives led to the establishment of an NGO financed by the main private associations of the Brazilian agribusiness and focused on technical research related to agricultural negotiations.
- This move provided Brazil with the expertise it needed to begin to adopt increasingly independent and autonomous negotiating positions on agriculture (having up to this point relied on Australian leadership within the Cairns Group to articulate its position).
- A second structure that has emerged is a working group on agriculture that started as a joint initiative by the Ministries of Agriculture and Foreign Affairs and was expanded to integrate other ministries, governmental agencies and private representatives from the agriculture and agribusiness sectors.
- The working group is focused on conducting analyses of other countries' negotiating positions and formulating independent and technically-sound responses and counterproposals.

Role of the Civil Society/Private Sector in WTO Accession (3)

Nepal

- The Nepalese experience shows that a non-business actor can play invaluable role in information-gathering, policy formulation and advocacy in support of trade negotiation and implementation of trade agreements.
- *In 1998, Nepal began the process of accession to the WTO against a backdrop of societal fear and general lack of support.*
- Some CSOs, however, in particular the South Asia Watch on Trade, Economics & Environment (SAWTEE), were strongly in favor of Nepal obtaining WTO membership as they believed the country stood to gain from this move.
- SAWTEE played a primary role in building the capacity of concerned stakeholders in South Asia by equipping them with knowledge, information and skills to voice their concerns in the context of globalization and liberalization

Role of the Civil Society/Private Sector in WTO Accession (4)

Kenya

- The Kenya case study illustrates the importance of an effective mechanism for coordination and consultation by civil society.
- Overall responsibility for trade matters lies with the Ministry of Trade and Industry. The National Committee on WTO (NCWTO) is the country's main trade coordinating body for engaging government, private sector and civil society on trade matters.
- Its mandate includes providing government with adequate information on the sectoral impact of the various agreements in order to enable it to review current and future trade policies.
- To handle the technical issues, the NCWTO has established sub-committees with specific expertise (i.e. agriculture, services, market access) with the relevant ministries acting as focal points.

Lessons Learnt (1)

- Make civil society partners in the creation of an overarching economic development strategy
- Provide a legal framework for civil society involvement in trade policy formulation (Provide a mechanism for trade policy formulation)
- Government and CSOs need to work jointly to address the data deficit (Governments and CSOs need to work jointly to enhance data collection capacity and to develop the research and analytical capacity on trade issues)
- Expand the emerging Social Partnership models (which aim at monitoring and ensuring that the trade regime works according to its rules (trade networks, academic institutions); assessing and addressing the impact of trade rules on their membership and on the broader citizenry (business associations, trade unions, consumer groups, community-based organizations); and mobilizing support for trade policy and negotiated agreements)

Recommendations

- Enhancement of the awareness of the national services operators and companies about the WTO - GATS
- The establishment of a Lebanese Services Coalition, to comprise all services stakeholders, along the patterns followed by most leading services economies such as: USA, Canada, Singapore, New-Zealand, Australia.. etc
- The activation of the National Committee of a Lebanese Trade Facilitation Group (LTFG), as a Sub-Committee of the Lebanese WTO National Committee, to coordinate and follow up the process of review and evaluation of the consolidated text of trade facilitation agreement within DDA negotiations.

Recommendations