The WTO and Small and Vulnerable Economies

The significance of Curaçao’s prospective independent membership within this important international organisation

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National Export Awareness Week 2020

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Outline

1. SVEs in WTO accessions
2. Why join the WTO?
3. WTO Work on SVEs
4. What’s next?
5. Accession Best Practices
<table>
<thead>
<tr>
<th>Africa</th>
<th>Europe/CIS</th>
<th>Asia Pacific</th>
<th>Middle East</th>
<th>America</th>
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<td>16</td>
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<td>Lao PDR*, 2013</td>
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<td>FYR of Macedonia, 2003</td>
<td>Afghanistan*, 2016</td>
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<td>Ukraine, 2008</td>
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<td>Andorra, 1997</td>
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<td>Syrian Arab Rep., 2010</td>
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<td>Serbia, 2005</td>
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Why join the WTO?

- Instrument to foster and consolidate domestic reforms, trade openness, economic diversification and modernization
- Strengthening the rule of law and good governance
- Improving transparency and business environment and increasing competitiveness
- Positive signalling to foreign and domestic investors
- Participation in multilateral negotiations and rules-making
- Framework for inter-governmental coordination
- Checking and countering protectionism
WTO Accession Results (1)

- Original Members, 80.23%
- Art. XII Members, 17.83%
- Acceding Governments, 1.65%
- Rest of the World, 0.29%
WTO Accession Results (2)

Growth rate of merchandise exports of Article XII Members

Growth rate of merchandise imports of Article XII Members

WTO accession

-5 years +5 years +10 years +15 years +20 years

Article XII Members
Rest of the World

-5 years +5 years +10 years +15 years +20 years

Article XII Members
Rest of the World
WTO Accession Results (3)

Growth rate of commercial services exports of Article XII Members (1996-2011)

- Article XII Members
- Rest of the World

Growth rate of commercial services exports of Article XII Members (2012-2018)

- Article XII Members
- Rest of the World
WTO Accession Results (4)

Growth rate of FDI inward stocks of Article XII Members

-5 years  WTO accession  +5 years  +10 years  +15 years  +20 years

Average DTF Changes for a Member

- Declined
- Unchanged
- Improved
SVEs in WTO

- Not officially recognised category in WTO Agreements

- **SVEs Group**
  - 26 WTO Members and 1 Observer (Bahamas)
  - Association with CARICOM, ACP and Pacific Islands Group

- **Work Programme on Small Economies since 2002**
  - Carried out by the Committee on Trade Development in Dedicated Session
  - Recent focus includes “trade and natural disaster”
Overview of Accession process

Working Party established by the General Council

3 March 2020

Multilateral negotiations (Rules)
- Memorandum on Foreign Trade Regime (MFTR)
- Factual Summary of Points Raised
- Draft Working Party Report

Bilateral negotiations (Market Access)
- Initial Goods & Services Offer
- Revised Goods & Services Offer
- Draft Goods and Services Schedules

Precedent setting nature of Curacao's Accession in WTO
Accession Best Practices

- Early identification of benefits and interests, which should be reflected in the negotiating strategy and be supportive of Curaçao National Export Strategy
- Impact assessment on WTO Membership
- Assessment of trade-related legislation and practices to determine conformity to WTO rules
- Establishment of a National Steering committee, with ministries, private sector and civil society
- Involvement of lawmakers for sustainability of reforms, transparency and domestic mobilization.
- Identification of a 'model accession' e.g. Seychelles, Bahamas
- Use of technical assistance & capacity building of WTO Secretariat

Key question - How to improve economic resilience post-COVID-19 through WTO Membership?
Useful information

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https://www.wto.org/english/thewto_e/acc_e/acc_e.htm
Thank you!

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