

Accession to the World Trade Organization

Government-Business Partnership

Helping Business and Government Preparing for WTO Accession

While the private sector is the engine of a country's economy, it is governments, which negotiate trade agreements including accession to WTO. As widely recognised, accession to WTO has direct and tangible implications for the business community, including SMEs, given that WTO agreements are shaping the international as well as the national trading environment in which enterprises are evolving.

It is thus essential for the business community to be engaged in a broad-based dialogue with their trade negotiators throughout the WTO Accession process, to ensure that their priorities are well understood by negotiators and accordingly defended during the Accession process.

To allow this dialogue to take place, appropriate consultation mechanisms between government, business and other stakeholders have to be put in place. In developing countries and transition economies, and even more in LDCs, these mechanisms are either non-existent, or underperforming.

Since the establishment of WTO, ITC has provided to the private sector in the developing world information and support to play a pro-active role in business advocacy with their governments.

Through the provision of relevant information on WTO rules and negotiations, the business community can be put in a position to better understand the implications of WTO membership and act as a reliable partner for their government to negotiate appropriate terms of accession.

Aiming at nurturing a lively business advocacy culture, ITC supports the inclusion of all sectors of the economy, trade negotiators, academia, think tanks, and other representatives of the civil society, into the consultation process. Parliamentarians, who are approving the results of the accession process by passing the implementing laws and regulations, are also part of the stakeholders.

Business representatives and managers need to understand the implications of a WTO accession, what membership means, and what opportunities and challenges derive from a WTO membership, so as to position themselves in the new trading environment and adapt their business strategies accordingly.

In order to structure appropriate public-private consultations, extra efforts are needed to ensure the participation not only of large companies - which are already active on the international scene - but also and foremost of small and medium enterprises, which are rarely involved in trade policy dialogue with their governments, but for which WTO membership has concrete implications.

It is paramount to establish a solid government-business dialogue before joining WTO, a process that – indeed - has to be pursued, once the country has joined the organization. The partnership between business and negotiators should be fostered in countries before they embark on the accession process by creating awareness about the WTO rules, with a view to progressively empower the private sector to play a pro-active business advocacy role with their governments.

Through WTO accession, governments negotiate improved market access to enable enterprises to convert trade concessions into trade opportunities. The central objective of the rule-based system governed by WTO is to ensure that markets remain open and that this access is not disrupted by arbitrary measures, which restrict trade.

Business communities in developing countries and transition economies are often not adequately equipped to understand the opportunities and challenges, which stem from the WTO trading system. The main reason for this is complexity of the system, which has so far prevented business communities from taking an interest in, and getting acquainted with, its rules. It is, for instance, not widely known that the WTO system not only imposes obligations on producing industries and business enterprises but also creates rights in their favour. Business enterprises should adopt export development strategies that take into account the impact of the liberalization measures on the products and services they export.

The implementation of current liberalization measures - and those that may be agreed in the future - creates both opportunities and challenges for the business community. The WTO regime has also created in favour of the business community a number of rights, and the ability of the private sector to benefit from the system and these rights will depend to a large extent from its knowledge and understanding of the trading environment which is governed by WTO agreements.

Based on its experience since the establishment of WTO, ITC is equipped to assist the business community to understand the commercial implications of WTO accession and to empower enterprises, including SMEs, to articulate their interest and priorities to trade negotiators. Only the close involvement of business into the definition of country strategies will ensure that WTO accession bring about new opportunities – beyond the challenges which accompany such a process – which enterprises will be able to grasp in order to grow, create employment and income and thus have a tangible impact on poverty reduction.

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