Liberia: A Retrospective on Five Years of WTO Membership
Acknowledgements

Patrick Low, former WTO Chief Economist (1997–2013), is the author of this report. He wishes to express his gratitude to the Minister of Commerce and Industry Hon. Mawanie G. Diggs for her validation of the report. He further wishes to acknowledge the excellent support, advice and information provided in the paper’s preparation from Liberian officials, in particular Jefferson Fahn of the Ministry of Commerce and Industry. In addition, thanks are due to the Permanent Mission of Liberia in Geneva for its coordination role in the report’s preparation. The author was also able to consult and receive valuable advice from Axel M. Addy, Liberia’s former Minister of Commerce and Industry. WTO Secretariat officials, including Maika Oshikawa, Director of the Accession Division, and her colleagues Anna Varyanik and JuneYoung Lee, were also helpful in providing comments and advice. Jean-Sébastien Roure, Senior Officer, Trade Facilitation and Policy for Business, ITC, provided constructive comments and guidance. A final review was undertaken by Vanessa Finaughty.
Contents

CHAPTER 1 INTRODUCTION .................................................................................................. 1
CHAPTER 2 RECENT ECONOMIC DEVELOPMENTS ............................................................ 2
  Assessment of economic performance .................................................................................. 2
  GDP growth and economic structure ................................................................................... 2
  Trade and investment ........................................................................................................... 3
CHAPTER 3 LIBERIA’S ACCESSION PACKAGE .................................................................... 6
  Regulatory aspects ................................................................................................................. 6
  Market access commitments in goods and services ............................................................. 8
CHAPTER 4 LIBERIA’S POST-ACCESSION WTO-RELATED ACTIVITIES ...........................10
  The post-accession implementation plan ............................................................................... 10
  Key legislative reforms ......................................................................................................... 11
  Trade facilitation .................................................................................................................. 12
  The business environment .................................................................................................... 13
  TBT and SPS measures ........................................................................................................ 13
  Trade preferences and preferential trade agreements ........................................................ 13
  Participation in the WTO’s work .......................................................................................... 14
CHAPTER 5 CONCLUSIONS ..................................................................................................15
REFERENCES .........................................................................................................................16
ANNEX: LIBERIA’S POST-ACCESSION NOTIFICATIONS ....................................................17

Boxes, Tables, Figures

Box 1: Summary of LPAP implementation roadmap .................................................................11
Table 1: Liberia’s import tariff profile (2019) .........................................................................8

Figure 1: Real GDP growth (2010–19) ....................................................................................2
Figure 2: Value added in industry, services and agriculture (2010–19) .................................3
Figure 3: Current account balances (USD billions) and as % of GDP (2010–19) .................3
Figure 4: Exports and imports of goods and services (USD billion) (2010–19) ....................4
Figure 5: Composition of exports (USD million) (2019) .......................................................4
Figure 6: Direction of exports (%) (2019) ................................................................................5
Figure 7: Foreign direct investment inflows (USD billion) and as a share of GDP (2010–19) .5
Liberia: A Retrospective on Five Years of WTO Membership

Acronyms and abbreviations

Unless otherwise specified, all references to dollars ($) are to United States dollars.

ECOWAS Economic Community of West African States
GATT General Agreement on Tariffs and Trade
GDP Gross domestic product
LDC Least developed country
LPAP Liberia Post-Accession Implementation Plan
MFN Most favoured nation
SPS Sanitary and phytosanitary
TBT Technical barriers to trade
TFA Trade Facilitation Agreement
TRIMS Agreement on Trade-Related Investment Measures
TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights
WTO World Trade Organization
CHAPTER 1 INTRODUCTION

More than two decades of social and political turmoil in the Republic of Liberia came to an end with the peaceful election of Ellen Johnson Sirleaf as president in 2005. Following two terms, President Sirleaf was succeeded in 2018 by President George Manneh Weah in a successful democratic transition, Liberia’s first in more than 70 years. Military government and civil war in the 1980s, 1990s and early 2000s laid waste to the Liberian economy, shrinking the country’s human capital pool, destroying infrastructure and ravaging living standards. Gross domestic product (GDP) per capita declined from almost $900 in 1980 to less than $300 in 2005.¹

Since then, the policy’s intent has been to bring back social, political and economic stability in order to foster sustained and inclusive economic growth, among other things. Significant progress has been made, with GDP per capita at close to $600 in 2020, despite the negative effects of external factors, including the sharp 2008 commodity price declines, the 2014/15 Ebola virus devastation and, more recently, that of COVID-19.

Liberia viewed integration into the multilateral trading system through accession to the World Trade Organization (WTO) as an essential step in meeting its challenging agenda. As a small, resource-based, trade-reliant economy short of investment and technology, the authorities saw trade links and entry into global and regional value chains as critical. Trade and foreign investment were key to poverty reduction, rebuilding human resources and restoring confidence in the Liberian economy.

WTO membership offered significant advantages, including non-discriminatory, rules-based access for Liberian goods and services to the markets of other WTO Members. As a least developed country (LDC), Liberia would have duty-free, quota-free entry for most of its exports of goods into major markets. In addition, WTO accession would be an opportunity for trade reform, aligning and introducing relevant laws and regulations in conformity with WTO provisions. Improved transparency and predictability in Liberia’s trade regime meant enhanced governance and greater investor confidence.

Liberia began the WTO accession process in June 2007. It submitted its Memorandum on Foreign Trade Regime (MFTR) in April 2011, with a full reactivation of the process in May 2014. Thereafter, progress was rapid, under the impetus of what has become known as the ‘Liberian Accession Model’, namely the Liberian Government’s strong political commitment, with an effective, well-coordinated negotiating team and the readiness to make prompt WTO-consistent reforms, supported by extensive assistance from the WTO Secretariat and development partners. Liberia’s Accession Working Party held its final, decisive meeting in October 2015 and Liberia joined the WTO as its 163rd Member on 14 July 2016. In the following years, Liberia worked on implementing the terms of its WTO accession.

The rest of the study, beginning with Chapter II, assesses developments in the Liberian economy in the last few years. Following more than a decade of rapid growth, the economy slowed to growth rates averaging little more than zero per year on average up to 2019. The growth setback was provoked by external factors, most notably the Ebola outbreak. Chapter III examines Liberia’s accession package, both in terms of regulatory reforms and market access commitments on goods and services. Chapter IV reviews a number of the more salient post-accession issues and activities. Chapter V concludes.

¹ World Bank data: https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=LR
CHAPTER 2  RECENT ECONOMIC DEVELOPMENTS

Assessment of economic performance

Liberia enjoyed a sustained period of economic growth in the decade up to 2014, after which the rate of expansion flattened. The economy suffered from two dramatic external shocks. Ebola struck and added to the pressures of reduced prices of rubber, and iron ore plummeted – core sources of income and exports. It was also the time when the United Nations (UN) peacekeeping forces withdrew. Despite these drawbacks and persistent low growth, Liberia has been seeking to diversify its agricultural base towards rice, cocoa, fisheries and agroprocessing, and to develop the tourism sector.

GDP growth and economic structure

Figure 1 shows several years of vigorous GDP expansion from 2010 (not shown, but, in fact, going back to 2004). The year 2014 was a turning point. Growth remained very low and was negative in both 2016 and 2019. The estimate for 2020 GDP growth was also negative, at -3.1% (African Development Bank, 2021). Since 2020, the COVID-19 pandemic has been a major suppressor of economic activity for many countries, including Liberia.

According to the African Development Bank (ADB, 2021), prospects for 2021 are considerably brighter. Growth is forecast to rebound to 2.8% owing to increasing demand for Liberia’s key commodities, including iron ore, gold, diamonds and rubber. The source of improved growth performance is external, and is symptomatic of Liberia’s dependency on external market conditions. This is not to say, however, that domestic economic policy and management are less crucial to the country’s short- and long-term economic prospects.

Figure 1: Real GDP growth (2010–19)

Source: Data from The Global Economy: https://www.theglobaleconomy.com.

Labour market performance is another macroeconomic indicator. Unemployment and labour force participation rates have been stable over the years. Unemployment hovered below 3% and the participation rate has been consistently in the vicinity of 75% (The Global Economy).

Figure 2 identifies the sectoral origins of value added in the Liberian economy in 2010–19. The sources of value added are characterized as industry, services and agriculture. Not surprisingly, services are the leading source of value creation in the economy, closely followed by agriculture. Key producer services, including finance, transport, distribution, telecommunications and business services, are vital to the economy, because they are inputs into almost every economic activity.

The level of aggregation in Figure 2 makes it impossible to capture intrasectoral changes in sources of value added. As far as intersectoral changes are concerned, there is some fluctuation in the movement of
relative shares. This is most likely to be driven by output changes in agriculture and/or industry in any particular year.

**Figure 2: Value added in industry, services and agriculture (2010–19)**

![Graph showing value added in industry, services and agriculture](image-url)

*Source:* Data from The Global Economy: [https://www.theglobaleconomy.com](https://www.theglobaleconomy.com).

### Trade and investment

On the macro side of things, Figure 3 looks at the current account on the balance of payments in 2010–19. The pattern is fairly consistent, although the current account deficit fluctuated between less than 15% and more than 20% of GDP in the period (the blue line in Figure 3). Measured as an absolute amount (the orange line), the current account balance was consistently negative, except when it turned slightly positive in 2015. A negative current account balance, including one that represents a significant amount in relation to GDP, might not be a problem. Many developing countries grow significantly while running such deficits, as Liberia did during some 10 years up to 2014. Much depends on how the deficit is financed, such as through foreign investment, running down reserves or accumulating debt. Liberia’s debt climbed significantly over the years, and a large portion of it was extinguished through the Heavily Indebted Poor Countries (HIPC) process.

**Figure 3: Current account balances (USD billions) and as % of GDP (2010–19)**

![Graph showing current account balances](image-url)

*Source:* Data from The Global Economy: [https://www.theglobaleconomy.com](https://www.theglobaleconomy.com).
The relative values of imports and exports expressed as a percentage of GDP in 2010–19 in Figure 4 reflect the current account data in Figure 3. Imports hovered at approximately 100% of GDP and exports were between one-fifth and one-third of GDP in terms of value.²

**Figure 4: Exports and imports of goods and services (USD billion) (2010–19)**

![Chart showing imports and exports as a percentage of GDP from 2010 to 2019.](https://www.theglobaleconomy.com)

Source: Data from The Global Economy: [https://www.theglobaleconomy.com](https://www.theglobaleconomy.com).

Figures 5 and 6 only represent the situation in 2019, but they give an idea of the composition of Liberia’s exports and the identity of the country’s major trading partners. The figures are dominated by Liberia’s open registry arrangements for shipping. Approximately 60% of Liberia’s exports comprise special purpose and passenger and cargo ships. On the commodities side, iron ore and gold represent approximately a further 25% of total exports, with rough wood, palm oil and cocoa beans accounting for less than 3% of total exports. A challenge that the government is aware of involves the diversification of exports, particularly in the rubber, agricultural and food processing sectors.

**Figure 5: Composition of exports (USD million) (2019)**

![Chart showing the composition of exports in 2019.](https://www.theglobaleconomy.com)

² It is important to note that the trade figures are gross figures being measured against GDP, which is a value-added amount. The meaning of the magnitudes involved must be interpreted with care. The numbers are useful in comparing the relative values of imports and exports and in gauging trends over time.
The export destination shares in Figure 6 reflect, to some degree, the composition of exports. The Cooperative Republic of Guyana accounted for one-third of Liberia’s exports, largely comprising special purpose ships. Liberia’s exports to Guyana have grown rapidly in recent years. Liberia’s exports to the Republic of Poland are mostly passenger and cargo ships, with a matching import flow in the other direction. The diversification of Liberia’s export basket would be reflected in a diversification of export destinations.

**Figure 6: Direction of exports (%) (2019)**

![Figure 6: Direction of exports (%) (2019)](https://oec.world/en/profile/country/lbr)

Figure 7 shows Liberia’s inward foreign direct investment (FDI) flows as a share of GDP for 2010–19. Inflows of FDI were in excess of 2% of GDP in 2010–13. The fall-off in FDI from 2014 onwards was triggered mainly by the Ebola outbreak, and FDI has remained below 0.5% of GDP ever since. Increasing GDP and FDI flows tend to go hand in hand, in a two-way causal relationship.

**Figure 7: Foreign direct investment inflows (USD billion) and as a share of GDP (2010–19)**

![Figure 7: Foreign direct investment inflows (USD billion) and as a share of GDP (2010–19)](https://oec.world/en/profile/country/lbr)
CHAPTER 3    LIBERIA'S ACCESSION PACKAGE

Regulatory aspects

Liberia's accession package was generally considered to be of high quality by the Accession Working Party members. The Protocol of Accession (WT/MIN(15)/38 - WT/L/973) incorporates, by reference, 31 paragraphs with explicit accession commitments contained in the Working Party Report (WT/ACC/LBR/23), comprising a combination of affirmations and policy changes. The first of these was acknowledgement that the existing policy regime in relation to the non-discriminatory treatment of foreign investors was not fully consistent with the WTO agreements and a commitment to remedy this by 1 November 2019 (Para. 38).

The government also undertook to ensure transparency and regular reporting of its privatization programme for as long as it lasted (Para. 41). With the exception of the purchase of goods and services for government use, state-owned enterprises were to make all purchases and sales on the basis of commercial criteria and were not to directly or indirectly influence the commercial decisions of state-owned enterprises. The latter's activities were to be appropriately notified to the WTO (Para. 47).

Where Liberia retained price controls, these were to be applied consistently with the relevant WTO provisions. Affected products would be gazetted and appropriately publicized (Para.49). All international treaties and agreements ratified by the parliament, including the WTO agreements, would take precedence over domestic laws, and all legislative and regulatory instruments necessary for the application of the WTO agreements would be adopted and enacted (Para. 59). Liberia would ensure that the necessary provisions were in place for the right of appeal by enterprises and individuals in relation to any administrative actions relevant to the government's WTO obligations. The tribunals and procedures involved in such appeals would be independent of the agency responsible for the actions at issue (Para. 64).

The Government of Liberia undertook to ensure that all actions taken by local government authorities relating to WTO-relevant matters, including financial, budgetary, tax collection and subsidies, would be taken in full compliance with WTO provisions. Moreover, the central government would be responsible for enforcing these obligations country-wide (Para. 66). Liberia undertook to ensure that all enterprises and individuals, regardless of whether they were physically present or invested in the country, would enjoy full trading rights under non-discriminatory conditions in accordance with WTO obligations (Para. 84).

In relation to its tariff schedule, Liberia undertook not to list import duties and charges under the General Agreement on Tariffs and Trade (GATT) 1994, Article II.1(b), except for the Economic Community of West African States (ECOWAS) Community Levy of 0.5% (Para. 100). Any tariff rate quotas applied by Liberia would be applied and administered in conformity with WTO rules. Any tariff exemptions would also be implemented in a WTO-consistent manner (Para. 110). Liberia confirmed that it would bring all fees and charges applied in connection with importing and exporting fully into conformity with WTO provisions by 1 August 2017 (Para. 116).

All laws and regulations relating to internal taxes and charges on imports would be brought into conformity with WTO provisions by the time of accession with the exception of excise taxes on mineral and aerated water. The latter would be brought into conformity by 1 August 2017 (Para. 125). Liberia would eliminate quantitative restrictions and other non-tariff measures on imports inconsistent with WTO obligations, and licensing arrangements would be in conformity with the Agreement on Import Licensing Procedures (Para. 148).

Legislation on the valuation of imports for customs duty purposes consistent with the Customs Valuation Agreement would be enacted prior to accession. If a database were to be used to verify import prices declared by importers, minimum or fixed valuations would not be applied. Where valuation disputes arose, goods would be released against adequate guarantees pending resolution of the dispute. Liberia would also adhere to decisions made in the WTO Committee on Customs Valuation on the treatment of interest
charges and on the valuation of carrier mediums containing software for data processing equipment (Para. 156).

Liberia’s laws and regulations on preferential and non-preferential rules of origin would be in conformity with the Agreement on Rules of Origin upon accession and notified to the WTO (Para. 160). Liberia undertook to ensure that reliance on preshipment inspection would be temporary and in conformity with the Agreement on Preshipment Inspection and other relevant agreements. The government would also ensure that preshipment inspection entities acted fully in conformity with WTO obligations (Para. 186).

In the event that Liberia decided to enact safeguard, anti-dumping or countervailing duty law, this would be notified and the legislation would be fully WTO-consistent (Para. 190). In the event that such legislation were enacted, any measures taken under its provisions would conform to the legislation (Para. 195). Any export permit requirements and other export control measures would be consistent with the relevant WTO provisions (Para. 201).

Liberia’s subsidy programmes would be administered in conformity with the Agreement on Subsidies and Countervailing Measures. Within six months of accession, Liberia would provide a subsidy notification in accordance with Article 25 of the agreement (Para. 206). Existing subsidies not in conformity with WTO provisions would be eliminated by 1 November 2019, and the relevant information notified (Para. 211).

With regard to technical trade barriers, Liberia committed to a progressive implementation of the Agreement on Technical Barriers to Trade, terminating on 1 August 2017. During this period, measures in place would be applied on a non-discriminatory basis (Para. 222). The provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures would similarly be phased in by 1 August 2017 (Para. 243).

On foreign investment incentives, Liberia undertook to make these consistent with the Agreement on Trade-Related Investment Measures (TRIMS). A transition period for compliance with the agreement would apply in the case of eight companies until 1 November 2019 (Para. 247).

Legislation on free trade zones would be consistent with WTO provisions at the time of accession and the government would ensure that these provisions were enforced within the zones. The right to operate in these zones would not be based on export performance, trade balancing or local content requirements. Normal customs procedures would apply to trade between the zones and the rest of the country (Para. 251). Transit trade would be treated consistently with the relevant WTO provisions, and the existing transit levy would be replaced by measures consistent with Article VIII of GATT 1994 by 1 August 2017 (Para. 259).

Liberia currently maintains no export subsidy, export finance, export credit or guarantee, or insurance programmes. Liberia would bind its agricultural export subsidies at zero upon accession (Para. 267).

Liberia would apply the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) upon accession (Para. 308).

With regard to transparency, notification and publication obligations, Liberia undertook to implement GATT 1994, Article X, GATS Article III and TRIPS Article 63. No measures affecting goods, services or intellectual property rights would become effective prior to their official publication and public announcement (Para. 326). All initial notifications required by the WTO agreement would be notified within six months of accession. Any measures subsequently implemented that required notification would be notified in a time and manner consistent with WTO requirements (Para. 327).

On preferential regional trade arrangements, Liberia undertook to observe the provisions of Article XXIV of GATT 1994, the 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (enabling clause), and GATS, Article V. Liberia also undertook to observe notification, consultation and other requirements in this regard (Para. 331).
In summary, the range and depth of Liberia’s accession commitments is impressive, bearing in mind that Liberia is a conflict-affected LDC that confronts a multitude of challenges. It is only the eighth LDC to have acceded to the WTO. A continuing challenge is to make the most of these disciplines in the interests of the country’s development.

Some of the commitments assumed by Liberia go beyond those assumed by other LDC WTO Members. One of these is regarding a central government’s obligations in relation to sub-national or regional authorities. Article XXIV:12 of GATT 1994 states that members ‘shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the regional and local governments and authorities within its territories’. Liberia has undertaken a binding commitment on this matter.

A number of other commitments are noteworthy in that they were either specific to Liberia or went beyond usual LDC accession commitments. These include the undertaking to ensure non-discriminatory treatment of foreign investors (Para. 38), guaranteeing trading rights (Para. 84), the elimination of non-WTO-consistent TRIMS (Para. 247), and the application of the TRIPS Agreement without recourse to the permitted transition period (Para. 308).

**Market access commitments in goods and services**

In its tariff negotiations on the goods side, Liberia engaged with six WTO Members – Canada, the European Union, Japan, Chinese Taipei, the Kingdom of Thailand, and the United States of America. The results of these bilateral encounters constitute Liberia’s most favoured nation (MFN) tariff schedule (WT/ACC/LBR/23/Add.1). Liberia’s entire tariff schedule is bound, and main elements of the profile are shown in Table 1. The simple average bound tariff rate is 28.7% and the simple average applied MFN rate, as of 2019, is less than half that, at 12.1%. The average applied MFN rate is less than half the bound rate.

Gaps between bound and applied rates are common among developing countries and reflect a number of factors. Among these is the fact that, in a multilateral trade negotiation, it is difficult for developing countries to strike mutual tariff reduction bargains with their largest trading partners, because significant differences in market size are not conducive to the reciprocal bilateral bargains that underlie multilateral outcomes. This lessens the WTO’s attractiveness as a tariff-negotiating venue for small countries, and the preference is to use applied MFN rates as the determinant of market access conditions.

It is notable that Liberia’s bound tariffs are higher for non-agricultural products (27.2%) than for agricultural products (23.8%), while the applied MFN rates are higher for agricultural products (15.8%) and lower for non-agricultural products (11.5%). Table 1 also shows the contrast in the treatment of imports between bound and MFN applied rates.

**Table 1: Liberia’s import tariff profile (2019)**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Agriculture</th>
<th>Non-agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple average bound rate (%)</td>
<td>28.7</td>
<td>23.8</td>
<td>27.2</td>
</tr>
<tr>
<td>Simple average MFN applied rate (%)</td>
<td>12.1</td>
<td>15.8</td>
<td>11.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Frequency distribution (%)</th>
<th>Duty-free</th>
<th>0&lt;=5</th>
<th>5&lt;=10</th>
<th>10&lt;=15</th>
<th>15&lt;=25</th>
<th>25&lt;=50</th>
<th>More than 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff lines and import values (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agricultural products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bound (%)</td>
<td>0</td>
<td>0</td>
<td>4.0</td>
<td>23.5</td>
<td>52.9</td>
<td>19.6</td>
<td>0</td>
</tr>
<tr>
<td>MFN applied (%)</td>
<td>0</td>
<td>27.1</td>
<td>19.1</td>
<td>0</td>
<td>41.9</td>
<td>12.0</td>
<td>0</td>
</tr>
<tr>
<td>Non-agricultural products (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bound (%)</td>
<td>0.1</td>
<td>7.3</td>
<td>2.9</td>
<td>1.1</td>
<td>42.7</td>
<td>46.0</td>
<td>0</td>
</tr>
<tr>
<td>MFN applied (%)</td>
<td>2.0</td>
<td>40.4</td>
<td>21.4</td>
<td>0</td>
<td>35.8</td>
<td>0.4</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: WTO World Tariff Profiles.

For services, Liberia made specific commitments in all 11 sectors and 102 subsectors (WT/ACC/LBR/23/Add.2). Like many other WTO Members, Liberia maintains a number of horizontal restrictions – that is, restrictions that apply to all sectors and subsectors where specific commitments have been undertaken. Liberia’s horizontal restrictions can apply to market access conditions (Article XVI) and to national treatment (non-discriminatory treatment of foreign services and service suppliers – Article XVII). Horizontal restrictions can also apply to one or more modes of supply – that is, on cross-border supply (Mode 1), consumption abroad (Mode 2), commercial presence (Mode 3), and the movement of natural persons (Mode 4 – individual service suppliers as opposed to corporate service suppliers).

Horizontal restrictions are imposed on land ownership and access to subsidies. Investors under Mode 3 could be required to train local staff and might also face differential tax treatment on account of favourable taxation arrangements for small and medium-sized enterprises (SMEs). Like almost all other WTO Members, Liberia also imposes significant restrictions on the movement of people across borders (Mode 4). Only skilled persons are covered, either business visitors or intra-corporate transferees.

As far as sector-specific commitments are concerned, there are several sectors in which no limitations apply to market access or national treatment, other than the horizontal Mode 4 restrictions limiting access to certain categories of skilled professionals. These include telecommunications, some professional services, distribution services, franchising services, health services, education services and environmental services. A number of these are widely used producer services essential for efficient diversification and growth.
CHAPTER 4   LIBERIA’S POST-ACCESSION WTO-RELATED ACTIVITIES

Having applied for WTO membership in 2007, Liberia began an intensive negotiating process in mid-2014. The accession negotiations were completed in less than two years – an unusually rapid pace that reflected the national negotiating team’s seriousness and dedication, a high degree of direct support at the highest political level, and considerable assistance and advice from a range of other governments and institutions. While the accession negotiation process is always intense and challenging, including in terms of pre-accession policy and institutional reforms, it is the post-accession process that presents the biggest and most sustained challenges.

The post-accession exigencies of implementation and adjustment are longer lasting and require continued focus and dedication after the hectic climax of achieving WTO membership. The activities involved can be taxing on resource-constrained governments, in terms of financial and infrastructural resources as well as human capital. This is particularly so for least developed countries. The rest of this chapter highlights a few salient aspects of the post-accession process in the first five years of WTO membership.

The post-accession implementation plan

Executive Order No. 74 of 10 December 2015 established and laid out the Liberia Post-Accession Implementation Plan (LPAP) 2016–2017. The LPAP recognized the need to reintegrate into the international economy and trading system after a devastating civil war and the ravages of Ebola. The LPAP built on the WTO Protocol of Accession and the Liberia National Trade Policy (LNTP), promulgated in 2014 with the support of the International Trade Centre.

The LNTP’s aim of promoting international trade and a competitive domestic private sector was encapsulated in a seven-point framework. These included the promotion of export competitiveness, domestic trade and productive capacity, the efficiency of trade administrative arrangements’ regional integration, global market access for Liberian goods and services, strengthened trade-related institutions, and good governance supported by an enhanced legal framework.

The LPAP focused in particular on trade facilitation, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), trade integration and economic diversification (including in relation to agriculture value chains). The LPAP implementation roadmap, summarized in Box 1, comprises a mixture of specific actions and broader objectives. Some of these actions and objectives have direct relevance to compliance with WTO accession commitments traceable to the Protocol of Accession. Others are less directly linked, but are still essential to the establishment of a coherent and enabled environment for realizing the benefits of WTO membership. Each of the headings listed under the five policy areas in Box 1 is accompanied by action points.
Box 1: Summary of LPAP implementation roadmap

4.1 Trade facilitation
Single window; trade portal; review of fees and charges, modernize customs procedures, processes and infrastructure; build local capacity for implementation; promote public–private partnership for development of port infrastructure; reduction of non-tariff barriers; procedures for appeal and review.

4.2 Sanitary and phytosanitary (SPS) and technical barriers to trade (TBT)
Establish SPS framework; first phase implementation of SPS infrastructure; establish TBT framework.

4.3 Trade integration
Implementation of common external tariff (CET); duty-free, quota-free market access; facilitate intellectual property systems.

4.4 Economic diversification
Promote trade in services; improve business environment’s transparency; infrastructure development to support economic diversification.

4.5 Agricultural value chains
Improve conditions for outgrower schemes; improve smallholder farmer productivity.

Key legislative reforms

Like many acceding countries, Liberia was obliged to introduce or modify a series of laws and regulatory instruments in order to complete the accession process. A notification from Liberia to the Accession Working Party (WT/ACC/LBR/13/Rev.3) dated 23 September 2015 laid out a post-accession legislative action plan. This document contains a list of pending legislation and legislation already in place. Some of this legislation dated back to before Liberia’s 2007 WTO accession application. A number of the policy areas involved in the accession process are discussed below.

A key piece of revised legislation addressing a range of WTO obligations is the Modernized Customs Code 2019. The declared purpose of the measures it contains is to:

…enable the development of modern customs processes, consistent with international best practices and standards, that maximize the facilitation of legitimate international trade, support the proper collection of government revenues, provide greater transparency, fairness and accountability in Customs actions and decisions…

Given the code’s scope, it either fully covers or touches on a wide array of WTO disciplines. These include, for example, issues surrounding the right of appeal, administrative and judicial reviews, and advance rulings and redress in several WTO agreements. Other areas include the administration of tariff rate quotas and tariff exemptions, fees and charges relating to imports and exports, internal taxes and charges, the administration of quantitative restrictions, WTO-consistent customs valuation procedures, trade-related investment measures, and transit trade. On preshipment inspection and the responsibility of governments to hold the relevant companies accountable to the WTO agreement on the matter, Liberia has indicated that it is moving to destination inspections.

Some aspects of Liberia’s legislation have been remodelled to be consistent with ECOWAS, its common external tariff (CET) and the ECOWAS Trade Liberalization Scheme (ETLS). This seemingly ensures WTO
consistency in certain areas. The relevant measures include aspects of rules of origin, the absence of duties and charges in commitment schedules that go beyond WTO tariff bindings, and certain contingency protection measures, notably countervailing duties.

The Foreign Trade Law was passed in 2016, and aims to provide a market-oriented environment consistent with WTO rules. The Competition Law, also passed in 2016, similarly seeks to support a market-oriented system. The Intellectual Property Act of 2016 was designed to prepare Liberia to comply with the TRIPS Agreement, which was to be applied upon accession. The Special Economic Zones Act of 2017 establishes the Liberia Special Economic Zones Authority, which can create special economic zones (SEZs) and design them to facilitate business and provide fiscal incentives and streamlined services.

**Trade facilitation**

The Trade Facilitation Agreement (TFA) was concluded in late 2014, by which time Liberia’s accession negotiations were already underway. Signing the TFA and implementing it put an additional burden on negotiators and other officials during its accession process. Yet Liberia has achieved considerably more by way of TFA implementation than many other WTO Members have. The degree of detail presented in the following paragraph reflects the importance of trade facilitation for Liberia’s growth and development, and illustrates how much detailed material had to be absorbed and acted on.

An additional domestic policy action was the establishment of a National Trade Facilitation Committee in 2019 (Administrative Notice MCI/NO.002/01/2018). The committee’s functions are to:

- Establish an inter-agency forum for regular consultation on trade matters;
- Identify and eliminate obstacles to the movement of goods;
- Coordinate and monitor the implementation of Liberia’s trade facilitation commitments under the WTO and other agreements;
- Provide advice and assistance to the government on trade facilitation matters.

Liberia ratified the TFA on 29 April 2021. It also specified the allocation of TFA provisions across Categories A, B and C. Category A was for implementation by 22 February 2018. Category B allows additional time for implementation. Category C is for provisions where implementation requires capacity-building support. Liberia’s implementation rate is 97.5%, placing it in the upper echelons of implementation among WTO Members. Implementation rate performance is fairly evenly distributed among Categories A, B and C.

Category B provisions include:

- Enhanced inspection controls (Art. 5.1);
- Detention (Art. 5.2);
- General disciplines on fees and charges (Art. 6.1);
- Specific disciplines on fees and charges (Art. 6.2);
- Electronic payment (Art. 7.2);
- Separation release from final determination of payments due (Art. 7.3);
- Perishable goods (Art. 7.9);
- Border agency cooperation (Art. 8);
- Movement of import goods intended for customs control (Art. 9);
- Common border procedures and documentation (Art. 10.7);
- Rejected goods (Art. 10.8);
- Temporary admission for inward and outward processing (Art. 10.9).

The definitive implementation dates for Category B provisions are 31 December 2021 to 31 December 2023.

Category C provisions include:
• Test procedures (Art. 5.3);
• Pre-arrival processing (Art. 7.1);
• Establishment and publication of average release times (Art. 7.6);
• Trade facilitation measures for authorized operators (Art. 7.7);
• Single window (Art. 10.4);
• Customs cooperation (Art. 12).

Liberia has notified its technical assistance requirements under each Category C provision.

Other notification requirements have largely been met, including Articles 1.4 (transit procedures for imports and exports), Article 10.4.3 (operation of the single window), Article 10.6.2 (use of customs brokers), Article 22.3 (contact points for technical assistance). It appears that contact points called for under Article 12.2 have yet to be notified. The Article 10.4.3 notification on the single window indicated that the facility is not yet available, but its establishment is in progress. Liberia has also indicated that the use of customs brokers is not required.

The business environment

While much of the economic policy reform associated with Liberia’s accession to the WTO has improved the environment for doing business – such as the impending single window initiative – the government has also taken specific initiatives to support businesses engaged in international trade. Two notable outcomes are the creation of the Liberia Business Registry (Ministry of Commerce and Industry, 2017) and the Handbook on Operating Business in Liberia (Ministry of Commerce and Industry, 2016).

The Liberia Business Registry eases registration processes for enterprises in an effort to reduce the time, cost and complexity of managing the interface with officialdom. The registry establishes a single registration point and has reportedly reduced registration time from 99 days to six days or less (Ministry of Commerce and Industry, 2017). The Ministry of Commerce’s handbook is a complementary initiative that provides information on registration procedures and the operation of businesses. It includes information on such matters as fee structures, investment policy, taxation, import and export procedures, standards, intellectual property and consumer protection.

TBT and SPS measures

Adherence to and compliance with the Agreement on Technical Barriers to Trade (TBT) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) have proven quite challenging. According to the conditions laid out in Liberia’s Working Party Report (WT/ACC/LBR/23), the TBT Agreement and SPS Agreement were to have been fully implemented by 1 August 2017. In both cases, it seems that certain actions remain to be implemented in relation to the action plans laid out in the Working Party Report. However, it should be noted that enquiry points/notification authority for both the TBT Agreement and the SPS Agreement have been notified to the WTO.

On the institutional side, the National Standards Laboratory (NSL) was established to test imported goods and calibrating equipment. The NSL focuses particularly on SPS matters. On the legislative front, it seems that the Act to establish the Liberia Standards Authority has yet to become law.

Trade preferences and preferential trade agreements

Liberia has one-way preferential agreements with the United States, the European Union (EU), the People’s Republic of China, Australia and the Kingdom of Norway. The US African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP), between them, offer Liberian exports duty-free access to the United States. In the case of the EU, Liberia is part of an economic partnership agreement (EPA) involving ECOWAS members. The EPA is a free trade agreement. The EU’s Everything But Arms
(EBA) initiative offers least developed countries duty-free, quota-free access to the EU market. China offers duty-free and quota-free treatment to almost all Liberia’s exports.

A recent study on preference usage prepared by the WTO Secretariat (G/RO/W/185, 2019) reveals that usage rates are strikingly low among least developed countries. According to the Secretariat study, none of the preferential opportunities offered by Australia, China, the EU and Norway are being used. In the case of the United States, only 95.2% of qualifying preferential trade enjoys the preferences. The total amount of trade theoretically entitled to preferences from the five countries involved comes to $27.5 thousand. If the figures are accurate, they represent a very modest share of Liberia’s total exports. Generally, low usage rates are most likely due to administrative challenges with the schemes, including in relation to establishing origin.

In addition to the EU economic partnership agreements mentioned above, Liberia is part of the 15-member ECOWAS customs union. As noted earlier, participation in certain aspects of ECOWAS arrangements has been a vehicle contributing to Liberia’s conformity with its WTO obligations.

**Participation in the WTO’s work**

Once WTO membership becomes a reality, the country mission in Geneva and occasionally visitors from the capital become involved in aspects of the WTO’s daily work. There tends to be too much going on for small, resource-constrained missions such as that of Liberia to become involved in everything. One ongoing task is to coordinate with capitals in order to ensure that the necessary notifications under various WTO agreements are made in a timely fashion. The notifications that Liberia has made since its accession are reproduced as this report’s annex.

Among the regular activities of the Liberian mission to the WTO in Geneva, Liberia also signed the Joint Ministerial Statement on Investment: Facilitation for Development, which was launched at the WTO’s 11th Ministerial Conference in Buenos Aires in 2017. In July 2021, under the auspices of the WTO’s Trade for Peace Network, Liberia participated in a side event to the UN High-Level Political Forum on Sustainable Development. The event was titled ‘Trade for Peace: addressing Fragility Through Economic Integration and Shared Prosperity’. Liberia also participated in a post-accession forum organized by the United Nations Conference on Trade and Development (UNCTAD) in July 2016.

Liberia has also been involved in interactions among least developed countries. The government was involved in the launch of the g7+ WTO Accessions Group. This is an offshoot of the g7+ association of 20 fragile and conflict-affected (FCA) states established in 2010 with the aim of finding ways out of fragility and conflict through peer learning and support among its members. Eight g7+ members with links to WTO accession established the g7+ WTO Accession Group in the margins of the 11th WTO Ministerial Meeting in Buenos Aires in 2017. Afghanistan and Liberia were instrumental in this initiative. Liberia is currently the group’s coordinator, along with the Democratic Republic of Timor-Leste. Given its post-conflict stability, development and accession process, Liberia is in a good position to provide leadership in the group.

---

3 In addition to Australia, China, the European Union, Norway and the United States, the WTO Secretariat study covers the LDC-related preference schemes of Canada, the Republic of Chile, the Republic of India, Japan, the Republic of Korea, the Swiss Confederation, Chinese Taipei, and Thailand. The data used in the study relate to 2016 and 2017 and these economies did not register any preferential trade with Liberia.

4 Axel M. Addy, Liberia’s former Minister of Commerce and Industry, hosts the Trade for Peace Network’s regular podcasts.

5 Along with WTO Members the Islamic Republic of Afghanistan, Liberia and the Republic of Yemen, the other five members of the group are the Union of the Comoros, the Democratic Republic of Sao Tome and Principe, the Federal Republic of Somalia, the Republic of South Sudan, and Timor-Leste. Although not a g7+ member, the Republic of the Sudan also joined the group in 2019.
CHAPTER 5 CONCLUSIONS

Accession to the WTO has been a centrepiece of Liberia’s trajectory towards a market-oriented, rules-based engagement with the world economy in pursuit of growth and development. Notwithstanding the dramatic external shocks visited on Liberia in 2014, which lowered growth to near zero from an impressive and sustained rate for more than a decade, the government persisted in its drive towards WTO membership, and the accession process was completed in record time.

As a least developed country, many challenges remain for Liberia in the years to come. While lauding its successes in navigating many of the obstacles in its path, the report also notes where further action is called for. Active participation in the WTO can support sound domestic policymaking and leverage membership as a means to hold trading partners accountable in order to extract the most favourable conditions possible in accessing trading partners’ markets.
VI. REFERENCES


## ANNEX

### LIBERIA’S POST-ACCESSION NOTIFICATIONS

<table>
<thead>
<tr>
<th>Document</th>
<th>Notification</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anti-dumping agreement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G/ADP/N/1/LBR/1</td>
<td>Notification of laws and regulations under Article 18.5 of the relevant agreement</td>
<td>1 December 2017</td>
</tr>
<tr>
<td><strong>Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IP/N/3/LBR/1</td>
<td>Members’ contact points – notified under Article 69 of the TRIPS Agreement</td>
<td>14 September 2017</td>
</tr>
<tr>
<td><strong>Regional trade agreements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WT/REG399/N/1</td>
<td>Notification of regional trade agreement – the Republic of Benin, Burkina Faso, the Republic of Cabo Verde, the Republic of Côte d'Ivoire, the Republic of the Gambia, the Republic of Ghana, the Republic of Guinea, Liberia, the Republic of Guinea-Bissau, the Republic of Mali, the Republic of the Niger, the Federal Republic of Nigeria, the Republic of Senegal, the Republic of Sierra Leone and the Togolese Republic, member states of the Economic Community of West African States (ECOWAS)</td>
<td>6 May 2019</td>
</tr>
<tr>
<td><strong>Agreement on Rules of Origin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G/RO/N/173</td>
<td>Notification under Article 5 and Paragraph 4 of Annex II to the Agreement on Rules of Origin – non-preferential and preferential rules of origin</td>
<td>5 July 2018</td>
</tr>
<tr>
<td><strong>Agreement on Safeguards</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G/SG/N/1/LBR/1</td>
<td>Notification of laws and regulations under Article 12.6 of the relevant agreement</td>
<td>1 December 2017</td>
</tr>
<tr>
<td>G/SG/N/1/LBR/1/Corr.1</td>
<td>Notification of laws and regulations under Article 12.6 of the relevant agreement</td>
<td>26 March 2018</td>
</tr>
<tr>
<td><strong>Agreement on the Application of Sanitary and Phytosanitary Measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G/SPS/N/LBR/1</td>
<td>Packaged drinking water</td>
<td>13 June 2018</td>
</tr>
<tr>
<td><strong>Agreement on Subsidies and Countervailing Measures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G/SCM/N/1/LBR/1</td>
<td>Notification of laws and regulations under Article 32.6 of the relevant agreement</td>
<td>1 December 2017</td>
</tr>
<tr>
<td>G/SCM/N/1/LBR/1/Corr.1</td>
<td>Notification of laws and regulations under Article 32.6 of the relevant agreement</td>
<td>26 March 2018</td>
</tr>
<tr>
<td>Document Code</td>
<td>Title</td>
<td>Date</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>G/TBT/2/Add.125</td>
<td>Implementation and administration of the Agreement on Technical Barriers to Trade – Addendum</td>
<td>6 September 2017</td>
</tr>
<tr>
<td>G/TBT/2/Add.125/Rev.1</td>
<td>Implementation and administration of the Agreement on Technical Barriers to Trade – Revision</td>
<td>25 September 2017</td>
</tr>
<tr>
<td>G/TBT/N/LBR/1</td>
<td>Coffee and cocoa</td>
<td>14 February 2018</td>
</tr>
<tr>
<td>G/TBT/N/LBR/3</td>
<td>Containers for compressed or liquefied gas, of iron or steel</td>
<td>26 July 2018</td>
</tr>
<tr>
<td>G/TBT/N/LBR/2</td>
<td>Pumps for dispensing fuel or lubricants</td>
<td>26 July 2018</td>
</tr>
<tr>
<td>G/TFA/N/LBR/1</td>
<td>Notification of category commitments under the Agreement on Trade Facilitation – Communication from Liberia</td>
<td>23 July 2019</td>
</tr>
<tr>
<td>G/TFA/N/LBR/2</td>
<td>Notification under Article 22.3 of the Agreement on Trade Facilitation</td>
<td>23 February 2021</td>
</tr>
<tr>
<td>G/TFA/N/LBR/3</td>
<td>Notifications under Articles 1.4, 10.4.3 and 10.6.2 of the Agreement on Trade Facilitation</td>
<td>2 March 2021</td>
</tr>
<tr>
<td>G/TRIMS/N/2/Rev.27/Add.1</td>
<td>Notifications under Article 6.2 of the TRIMS Agreement of publications in which TRIMS can be found</td>
<td>13 June 2018</td>
</tr>
<tr>
<td>G/TRIMS/N/2/Rev.28</td>
<td>Notifications under Article 6.2 of the TRIMS Agreement of publications in which TRIMS can be found – Revision</td>
<td>27 September 2018</td>
</tr>
<tr>
<td>G/TRIMS/N/2/Rev.29</td>
<td>Notifications under Article 6.2 of the TRIMS Agreement of publications in which TRIMS can be found – Revision</td>
<td>8 September 2020</td>
</tr>
<tr>
<td>G/TRIMS/N/2/Rev.30</td>
<td>Notifications under Article 6.2 of the TRIMS Agreement of publications in which TRIMS can be found – Revision</td>
<td>1 March 2021</td>
</tr>
</tbody>
</table>

**Source:** WTO website: [https://www.wto.org/english/thewto_e/countries_e/liberia_e.htm](https://www.wto.org/english/thewto_e/countries_e/liberia_e.htm).