

The accession of Saudi Arabia, Vietnam and Russia to the World Trade Organization, what lessons for the accession of Algeria?

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Abstract:

In this paper, we analyze the accession of the three countries: Saudi Arabia, Vietnam and Russia to the World Trade Organization. The reasons for this choice of countries is that their economic structure and economic and financial market indicators (GDP growth and composition, the component of their foreign trade, inflation, the share of services sector in creating of wealth and employment) are comparable and similar to those of Algeria.

We experience the process of accession of the three countries (Arabia Saudia, Vietnam, Russia) in order to draw lessons that can help us to understand the slow, blockages and difficulties faced Algeria in the process of accession to the World Trade Organization.

Keywords : Algeria, accession process, liberalization process, Russia , Saudi Arabia , Vietnam

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إنضمام المملكة العربية السعودية، الفيتنام، روسيا إلى المنظمة العالمية للتجارة، ماهي الدروس التي يمكن للجزائر إستخلاصها؟

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ملخص:

في هذه الورقة، نحلل انضمام الدول الثلاث: المملكة العربية السعودية وفيتنام وروسيا إلى منظمة التجارة العالمية. أسباب اختيار البلدان هو أن هيكلها الاقتصادي ومؤشرات الأسواق الاقتصاديةو المالية (نمو الناتج المحلي الإجمالي وتكوينه، ومكون تجارتما الخارجية ، والتضخم ،وحصة قطاع الخدمات في تكوين الثروة والتوظيف) متشابحة ومتشابحة مع الجزائر.

نحن نختبر عملية انضمام الدول الثلاث (السعودية، فيتنام، روسيا) من أجل استخلاص الدروس التي يمكن أن تساعدنا في فهم البطء والعقبات والصعوبات التي واجهتها الجزائر في عملية الانضمام إلى منظمة التجارة العالمية

الكلمات المفتاحية: منظمة التجارة العالمية، الجزائر ،المملكة العربية السعودية، فيتنام، روسيا، الانضمام إلى منظمة التجارة العالمية

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Introduction :

These economies are dependent on hydrocarbon exports, which account for 75.14% of total exports to Saudi Arabia and 68.5% for Russia. The rate of increase in consumer prices in the three economies is almost identical to that of Algeria (3.9%), 5.4% for Saudi Arabia, Vietnam 9.2%, and 6.9% for Russia. The same applies to the growth of gross domestic product, recorded in 2010, which is almost similar to that of Algeria (3.3%), or 4.1% for Saudi Arabia, 6.8% for Vietnam and 4.0% for Russia. The contribution of the services sector in creating employment, which is estimated in 2010 to 35.5% in Saudi Arabia, et38.9% in Russia is similar to that of Algeria 33.7%. These countries are engaged in the process of accession to the WTO. We discover, in this paper and saw their lead request. Saudi Arabia, Vietnam and Russia have become full members in this Chamber International Trade since 11 December 2005, 11 January 2007 and 16 December 2011 respectively.

I.The accession of Saudi Arabia to the WTO:

Saudi Arabia has submitted its application to join the GATT 1947, in July 21, 1993. The GATT Council has established a working group to consider the request of the Saudi government accession to the General Agreement on under Article XXVII. Accordance with the decision adopted by the General Council of the World Trade Organization on 31 January 1995, the Working Group on the Accession of the Kingdom of Saudi Arabia to the GATT 1947, became the working group of the accession to the WTO. The informations meeting dates of the Working Group and the documents that were provided are shown in Table 1 below.

Event	Date
1. Request for accession	June 13, 1993
2. Creation of the Working Group Chair: HE Mr. Munir Akram (Pakistan)	21 July 1993
3. Checklist	5 juillet 1994/13 May 1996/21 May 1997 / July 11, 1996
4. Questions and Answers	15 November 1995
5. Meetings of the Working Group	May 2-3 1996/6-8 1997/2-4 November December 1997/17-19 1996/29-30 May November 1998/22 September 1999/4 April 2000 / October 17 2000/23-24 October 2003/24-26 February 2004/29 April 2004/16 June 2004/11 October 2005 / October 28, 2005
	13 mai 1996/30 Sep 1996/30 October 1996 / November 4, 1996 / November 14, 1996 / March 20, 1997 / March 26, 1997 / April 15,

Table 1: Progress of the procedure for accession of Saudi Arabia to the WTO.

1997/20 May 1997/26 May 1997/24 September 1997 / October 2 1997/21 October 1997/24 November 1997/24 June 1999/14 July 1998/4 April 2000/20 June 2000 / October 5, 2000
March 20, 1997 / July 29, 2005
WT/ACC/5 September 23, 1997
16, 1998/24 June 1999/27 October 1998/24 June 1999/24 June 1999/24 June 1999 / June 24, 1999
March 16, 2004
September 24, 1997 / June 29, 1999
September 23, 2005
September 24, 1997 / June 28, 1999
20 September 2005
January 11, 2000 / July 28, 2005
October 28, 2005
11 November 2005

Source: WTO website, online documents, / http://www.wto.org/french/thewto_f/acc_f/a1_arabie_saoudite_f.htm

Addition to the papers listed in the table above, Saudi Arabia has also provided the working group, information regarding: the Sixth Development Plan, Decree No. 142 of 10 May 1993, the Seventh Development Plan , Decree No. 126 of 29 August 2000, the law on competition policy, enacted under Royal Decree No. M/25 dated 22 June 2004. The areas that have been the work of the group responsible for the accession of Saudi Arabia were:

I.1 Economic policy of the country in terms of competition, prices, monetary and fiscal policy, exchange rate policy and external payments, the investment regime, policies affecting trade in goods and trade in services. The sixth development plan adopted by Saudi Arabia sought to diversify the economy by fostering the development of industry, agriculture and mineral resources, and improve the quality of life, ensuring balanced growth in all regions of the kingdom and strengthen the role of the private sector by encouraging them to participate in various projects of socio-economic development. The sixth development plan, which included the main objectives of previous plans, aims to maximize the contribution of the private sector to create jobs, diversify the economy to make it less dependent on oil. The development of scientific and technological capabilities of the country, environmental protection against pollution and the preservation of natural resources are also part of the plan's



objectives. Saudi Arabia, was asked by Members of the working group to provide information on its development plans, the most recent. Stated The United there was an eighth development plan covering the period (2005 -2009), in which the Kingdom continued to focus on: increasing the growth rate, both foreign and domestic, and the adequacy of policies with the objectives of the development plan. Saudi Arabia was convinced that the only way to diversify the economy **was significantly increase private sector participation** was already engaged in a large number of independent business spending. The government provided support institutional growth process driven by the private sector by liberalizing diversification by facilitating investment and the development of banking and financial sector. Saudi Arabia was fully aware of the need to provide its citizens with the knowledge and skills that favored their effective participation in social, economic and cultural. This country was not with a technological base and had managed to follow the scientific, technical innovations; it is thanks to the import of technologies from foreign partners. The Working Group has examined the economic policies and trade regimes of Saudi Arabia and the provisions that could be included in a draft Protocol of Accession.

II. The internal structural and institutional reforms related to the accession process:

The reforms undertaken by the Kingdom of Saudi Arabia for its accession to the WTO have affected all aspects regulatory, commercial, economic policy that we deepen below:

II.1 The monetary policy:

The purpose of the monetary policy of the Kingdom, led by the Saudi Monetary Agency (SAMA), is to preserve the stability of domestic prices and the exchange rate. This agency provides Procedures indicate that the transition from research information to the negotiation phase of the work will take place when the examination of the trade regime is sufficiently advanced. The decision to proceed to consideration of the commitments in the areas of rules is taken when working groups feel they have established an adequate factual basis. Progress in other areas of the negotiations can be taken into account. The rules negotiations are usually conducted multilaterally with the working group, although concerns about specific issues can be arranged bilaterally and forwarded to the working group. It is common that the candidate countries for accession, submit action plans outlining the legislative work program underway to amend the legislation and indicating the dates of planned implementation. As the accession process forward, governments are urged to review these plans and update them. It may also be that the working group of the accession request legislative plans on specific issues, especially when the Working Group wishes to have a clear idea of what needs to be done to make the laws and rules accordance with the provisions of the WTO.

When it comes to establishing new rules and new laws by the candidate, some Members may request that these laws are presented in draft form. By consequence, governments prefer accessing the report once enacted It is common in accessions that bills are submitted, even informally to gather comments from interested Members. Negotiations are considered as advanced, when the Secretariat was requested to prepare the draft report of the accession Progress in negotiations in other sectors including market access for goods and services is taken into account in making the decision of the membership. The final outcome of negotiations on the rules of each aspect must be a text to be included in the report of the



working group that often includes commitments tacked or to be taken by the acceding government.

II.2 The negotiations on tariff concessions:

Negotiations conducted bilaterally rates are based on supply and demand. Procedures reveal that these negotiations can be initiated either by the candidate or by the members. However, in practice, members tend to expect the government to submit accessing a first initial offer proposed tariff bindings before requesting bilateral negotiations. They are sent to the Secretariat which sends a notification to members of the working group indicating their availability. In general, the initial offers are reported between the first and the second meeting of the working group at the same time as the initial offer of services. As to the offers on goods and services should be transcribed at the same time so that negotiations on these two subjects can move synchronously. Model price list indicates the number and authentic language. That each new member is assigned a list number, which is indicated in Roman numerals on the Member that is assigned a list number, which is indicated in Roman numerals on the front page of the list is made in one of the three official languages of the WTO (English, French or Spanish). Choosing the language returns to the acceding countries. Members interested in tariff negotiations with the applicant, requesting the organization of bilateral meetings, normally held on the sidelines of meetings of the working group. Delegations can organize meetings or invite the Secretariat to do so. The serial number of bilateral negotiations varies considerably from one to another, depending on the quality of offers, and complexity of the issues involved negotiating, on both goods and services, generally conclude, the two negotiations at the same time.

However, some members may negotiate only on the goods or services only. The final agreement takes into account the agreed tariff concessions which must be signed and submitted to the Secretariat.Once completed, the project schedule is formally distributed to all Members.Working Group for review and multilateral verification, allowing Members to confirm whether the concessions contained in the proposed calendar reflect the results of bilateral negotiations with acceding government. It also presents an opportunity to ensure that the content complies with the rules and standards of the WTO.

II.3 Discussions on agricultural subsidies and export subsidies:

Discussion on agricultural commitments is based on actual data provided by the applicant uses, to this end, the paper WT/ACC/4 and Annex 7.2 of the WTO. As the preparation of explanatory tables requires a thorough understanding of complex requirements of the WTO and detailed technical work, these paintings are always revised during negotiations for accession, office, comments and observations made by Members. They are available to all interested members of the Working Group as a document of the series WT / ACC / SPEC. Document WT/ACC/1 teaches us that this information may be collected and reviewed at the bilateral level, as they can be treated and studied as part of the plurilateral meetings with interested WTO Members. At the end of this process, the Secretariat circulated a final set of tables that form the basis of future commitments related to the overall measurement or total support and exports in agriculture. These tables are stored in Part IV of the Schedule of Concessions and Commitments on Goods.



II.4 Negotiations on specific commitments on services:

The procedures for the negotiations on services are similar to those goods, as noted in the paper WT/ACC/1 WTO and are based on supply and demand.Negotiations on services are usually incurred when members of the Working Group undertook a review of the multilateral system services. The review is based mostly on information provided regularly in the working document WT / ACC 5 and the written answers to specific questions. It is not always easy provide all the evidence requested in real time. Many applicants have found it difficult to do so. The candidate countries for accession were invited to submit their tenders in materials and provide services in a timely manner, all required information to members of the WTO working groups responsible for the accession. Given the specificity of the service sector links to their natures, and their specific properties and the nature of their trade restrictions mentioned in the previous chapter, the applicants put more time to present their service offerings. On average, these tenders were submitted three years after the checklist. Offers services follow the same pattern as all the lists annexed to the GATS and which also contain notes on the establishment of the list for services. Service offerings that were presented were not in conformity with the model and have been revised to follow the model type that is available in the working document WT/ACC / SPEC / WTO. The service offer is then communicated to all interested Members of the working group. The services negotiations are conducted bilaterally, although the multilateral process of questions and answers in the working group can give ideas on the expectations of Members and the positions of the candidate country.Normally, negotiations on services and tariff negotiations take place at the same time. Starting point of the negotiations is the presentation of the offer. Often, bilateral meetings are scheduled around meetings of the Working Group of accession.

III. The Vietnam's accession to the WTO:

The Socialist Republic of Vietnam has applied for accession to the World Trade Organization in January 1995. At its meeting of 31 January 1995, the General Council established a Working Group responsible for examining the application for accession to the World Trade Organization under Article XII of the Marrakesh Agreement establishing the WTO, presented by the Government of the Socialist Republic of Vietnam. The work group, which had, as a basis for discussion, the document on the Foreign Trade Regime of Vietnam (WT/ACC/VNM/2), documents containing questions from members about the plan Foreign Trade of Vietnam as well as the answers to these questions and other information provided by the Vietnamese authorities (WT/ACC/VNM/3) met several times before the completion of his work and the establishment the draft report of Vietnam's accession to the WTO, as shown in Table 3 below.



Table 2: Progress of Vietnam's accession process to the WTO.

Event	Date
Request for accession	January 4, 1995
Creation of the Working Group	1998-2004, Mr.Seung Ho (Republic of Korea).
Presidents	2005-2006, Mr. Eirik Glenne (Norway) January 31, 1995
Memo	September 24, 1996
Questions and Answers	4 March 1998 / March 12, 1998 / August 20, 1998
Meetings of the Working Group	30-31 July 1998/3 December 1998/22-23 July 1999 / November 30, 2000/10 April 2002 / May 12, 2003/10 December 2003/15 June 2004/15 December 2004/15 September 2005/27 March 2006/19 July 2006/9 October 2006 / October 26, 2006 November 7, 2006.
Additional Questions and Answers	April 20, 1999/16 July 1999/26 June 2000 / August 6, 2001 / March 6, 2003/30 October 2003/28 April 2004 / October 13, 2004 / April 7, 2005/7, 2005 / July 26, 2005 / September 2 2005/20 December 2005 / June 9, 2006/28 September 2006/3 October 2006 / October 12, 2006
Agriculture (WT/ACC/4)	November 5, 2002/28 April 2004/28 April 2004 / October 13, 2004/20 May 2005/2 August 2006 / July 21, 2005
Services sector (WT/ACC/5)	August 24, 1998
SPS / TBT (WT/ACC/8)	June 26, 2000/11 October 2004 / October 31, 2002/ April 23, 2004.
TRIPS (WT/ACC/9)	June 26, 2000/5 November 2001 / April 23, 2004.
Legislative Action Plan	June 26, 2000/23 April 2004/5 November 2001 / December 23, 2002/15 May 2003/26 June 2001 / October 31, 2003 / December 5, 2001/26 April 2004 / October 24, 2002/4 November 2003/4 November 2003 / July 14, 2006.
Negotiations on market access	Offer for goods 7 janvier 2002/27 April 2004 / July 26, 2005 Draft List of Commitments on Goods August 11, 2006 /5 October 2006.

Offer services	7 January 2002 / April 27, 2004.
Draft List of commitments in services	10 October 2006 / October 19, 2006.
Draft report of the Working Group	on September 19, 2001.
draft report of the Working Group	November 22, 2004.
Set of texts relating to the accession adopted by the General Council: Report of the Working Group	/ 19 October 2006 November 7, 2006.

Source: WTO website, online document: http://www.wto.org/french/thewto f/acc f/a1 vietnam f.htm

III.1 The structural and institutional reforms related to the accession process:

Vietnam has carried out a series of reforms relating to all aspects of the country's economic activity, which are defined as follows:

III.1.1 The regime economic, commercial and financial examined by the Working Group of the WTO:

According to the decision No. 1627 of 31 December 2001, on the regulation of lending by credit institutions to their customers, financial institutions including Commercial Banks State, established investment project. Examination of goods based offer commercial loans to state enterprises was the responsibility of the financial institutions.

And also to increase the efficiency of the economy, a number of measures had been taken since 2001, and since then, several improvements have been made including asset quality, discipline and risk management. In addition, there was a separation between commercial lending banks that were entrusted to the charge of social policy. Vietnam had issued Decision No. 493/2005 QD / NHNN of 22 In April 2005, on the loan classification and provisioning of credit in banking. And also in order to improve business efficiency , Vietnam provided the equitization of most state commercial banks over the period ranging from 2006 to 2010. End for the tax reform, the tax ratio to GDP was collected increased from 13.1% in 1991 to 22.6% in 1995.

III.1.2 The exchange rate regime and the payments system:

The system of fixed exchange rates was replaced in 1989 by a mechanism managed floating rate and currency transaction centers were opened at the end of 1991. In 1994, Vietnam had established the foundations for the interbank market. Bank of Vietnam was monitoring the situation of its balance of payments and foreign exchange reserves and intervening in the market need and average rates per transaction were published by the U.S. dollar on the interbank foreign exchange market.

On current operations, Vietnam had lifted all restrictions under Article XI and XVI of the GATS. Importers could buy foreign currency in banks authorized to perform transactions authorized. They were no longer present documents attesting compliance with tax obligations. By Government Decree No. 63/1998 ND-CP of August 17, 1998, Vietnam has removed all restrictions on foreign exchange. There was complete freedom to buy and transfer currency and currency repatriation for foreign investors. On the other hand, the Bank of Vietnam was



monitoring the situation of the balance of payments and foreign exchange reserves and published daily average rate per transaction.

Vietnam had canceled all controls on current account transactions were liberalized. Residents and non-residents can maintain foreign currency accounts in banques regards restrictions on current transactions, Vietnam had abolished and the country was not conducting any measure contrary to Articles XI and XVI. Government Decree No. 131/2005/ND/C October 18, 2005, abolished all exchange restrictions still imposed on payments and transfers for current transactions and therefore non-residents and residents were free to buy and transfer currency to repatriate profits and other income.Vietnam had also facilitated the rules that administer the transfer of capital by foreign investors and foreign borrowing by resident organizations. Restrictions that were held were those related transfers of capital abroad for investment made by resident organizations and businesses had full freedom to contract foreign loans. Bank of Vietnam did not require the registration of contracts in the medium and long term for statistical purposes.

Regarding the requirements applied to the repayment of loans and capital expenditure incurred by Vietnamese companies abroad, companies investing abroad were required to obtain an investment license from the Ministry of Planning and investment in accordance with Circular No. 05/2001/TT-BKH of 30 August 2001, and open a foreign currency account with a credit institution, Vietnamese or foreign, authorized to transact business in currency and make remittances through this account and register the account is opened.

The obligation imposed by Vietnam, for each company to maintain the balance between inputs and outputs currencies, as dictated by Article 33 of the Law on Foreign Investment was seen by some members as a restriction. Regarding self-balancing foreign currency transactions, it was clarified that this requirement has been removed in accordance with Article 67 of Decree No. 24/2000/ND-CP of 31 July 2000, implementing the Law on Investment abroad in Vietnam approved June 9, 2000 by the National Assembly. The government guaranteed the provision of services for some projects, but not by measure limiting access to foreign currency or by discrimination.

III.1.3 The policy affecting trade in goods:

Vietnam is committed to that, from the date of accession, any person or entity, domestic or foreign has the right to be registered as an importer or exporter of all product and marketing rights are administered in accordance with the relevant provisions of the WTO at the time of accession, Vietnam has confirmed that it would ensure that its laws and regulations concerning the rights of marketing the goods conform its obligations under the WTO. The Protocol of Accession of Vietnam serve as legal basis for the publication by the government of a decree codifying the marketing rights of individuals and business with no physical presence. Vietnamese fare system was considered non-transparent and Members of the Working Group requested that the Vietnam provide information on tariffs and trade statistics to facilitate negotiations on market access for goods. Some members said they strongly preferred the application of ad-valorem duties because they were more transparent and predictable for negotiations. It was recalled in Vietnam a tariff quota system should be simple, transparent, appropriate, uniform, non-discriminatory and not have the effect of restricting



trade. Vietnam had published May 9, 2003 Decision No 91/2003 QD-TTG, which established quotas on imports of cotton, raw tobacco, salt, dairy products, eggs and corn. Circular of the Ministry of Trade No. 10/2004 / TT / G March 3, 2005, was later replaced by Decree 12/2006 ND-CP of 23 January 2006.

III.1.4 The policy affecting trade in services such as banking services:

The services sectors were still in the early stages of development during the 2000s. These sectors accounted for 37.98% of GDP in 2004. Ministries of Agriculture and Rural Development, trade, planning and investment, transport, information and culture, finance and construction are the main agencies that managed the activities of the services sector. Foreign Service providers were free to choose their partners. Foreign investors were not required to establish a representative office in Vietnam. Under Decree 87/2003 ND-CP of July 22, 2003, foreign lawyers organizations could operate in Vietnam in the form of a branch and could practice international and foreign law as members or employees a commercial entity. Foreigners must possess valid certificate issued by a professional organization or a foreign jurisdiction.

With regard to banking, they were governed by the Law on credit institutions and other legal texts. Foreign credit institutions in Vietnam could operate as a representative office, a branch of a foreign bank, a leasing company incorporated joint venture, or a leasing company established joint venture and in accordance with Decree No. 22/2006/ND-CP of February 28, 2006. The contribution of the foreign party in a joint venture bank engaged in commercial banks could not provide more than 50% of the capital office of the bank, while that of the foreign bank in a non-bank credit institution established should represent at least 30% of the capital. Banking activities were regulated by the Law on credit institutions and related amendments. The minimum capital requirement for branches of foreign banks, Vietnam has committed to bring it to a level equal to or lower than that required for domestic banks incorporated in Vietnam. He confirmed that Vietnam gradually harmonize its regulatory regime for branches of foreign banks.

On insurance services, insurance companies and foreign-owned capital Vietnamese and intermediaries, had the opportunity to be informed of measures relating to the provision of insurance services in Vietnam and regulatory changes in this sector and therefore national treatment is applied. Transparency of regulatory services, laws and rules were published and made available to the public in accordance with paragraphs 505 to 507.The provisions concerning the publication of legal acts were included in the law on enactment of normative legal, governmental decrees n ° 104/2004 ND-CP of the Government. After reviewing the foreign trade regime of Vietnam and given explanations and commitments made by Vietnam, the working group concluded that Vietnam should be invited to accede to the Marrakesh Agreement establishing the WTO in accordance with of Article XII and Article IX of the Marrakesh Agreement of the World Trade Organization and procedures of decision making under Articles IX and XII of the WTO Agreement agreed by the General Council.



IV. Russia's accession to the WTO :

In june 1993, the Government of the Russian Federation applied to join the General Agreement on Tariffs and Trade (GATT 1947). The Council representatives of the GATT established a working group in July 1993.Following the entry into force of the WTO Agreement on 1 January 1995, pursuant to the decision taken by the General Council of the WTO on 31 January 1995, the Working Group of the GATT 1947 has been transformed into a Working Group of the accession to the WTO under Article XII of the Marrakesh Agreement Establishing the WTO. The working group met at least 30 times before the completion negotiations and the signing of the Protocol of Accession 16 December 2011. The first meeting took place from July 14 to 17, 1995.The period 1992-1998, failed to advance decisively in the accession negotiations, due to the lack of stabilization in trade policy and regulatory framework for economic activities. Starting in 1995, Russia has embarked on a strategy of economic liberalization. Table n°4 teaches us about the progress of the accession process of Russia.

Event	Date
Application for accession in Application for accession in	June 1993
Creation of the Working Group	
Chair: Mr. W. Rossier (Switzerland,	October 1993 - July 2000)
Mr. Kare Bryn (Norway	, July 2000 - December 2003)
H.E. Stefan Haukur Jóhannesson	
Checklist 1 March	1994/27 October 1995 /
	October 25, 1995
Questions and Answers	June 2, 1995
Meetings of the Working Group	17-19 July and 4-6
	December 1995/30-31
	May and October 15,
	1996/15 April, 22-23 July
	and 9-10 December 1997 /
	29-30 July and 16-17
	December 18-19
	December 1998/25-26
	2000/26-27 May and June
	2001/23-24 January, 25
	April, 20 June and 16
	December 200210 January,
	6 March, 10 April, 10 July
	and 30 October 2003 /
	February 5, 2 avril/16 July
	and November 8, 2004/17
	February, 15 April, 24
	June and 19 October 2005 /
	March 23, 2006
Additional questions and answers	January 24, 2005

Table 03: advancing the process of Russia's accession to the WTO:



Information on the agricultural sector	(WT/ACC/4) March 18, 2008
Information on the services sector (WT/ACC/5)	October 25, 1995
TRIPS (WT/ACC/9)	October 25, 2000
SPS / TBT (WT/ACC/8)	10 July 1997 (OTC)
	June 26, 2007 (SPS)
Legislative Action Plan	August 14, 2007
Offer for Goods	
a) initial offer	February 16, 1998
b) latest offer	February 15, 2001
Provides services for:	October 8, 1999
a) initial offer	/ February 15, 2001
b) latest offer	
Draft report of the Working Group	March 28, 2002
last revised	October 15, 2004

Source: WTO website, document ligne http://www.wto.org/french/thewto_f/acc_f/a1_russie_f.htm

V.The structural and institutional reforms related to the accession process: Therefore, since she was asked to join the GATT and the WTO, Russia has initiated a process of reforms of its economy gradually adopting laws and regulations consistent with multilateral rules and disciplines of the WTO.This process was designed to create the necessary conditions for a dynamic market economy, based on a stable and predictable legal framework, capable of supporting long-term economic growth and improve the standard of living and well-being Russian population, the country's production capacity and increase its international competitiveness. The Russian government had set up a clear list of programs, policies and priorities that had as its main objective to make Russia more competitive and make it a place where it is easier and more profitable to work and do business. It was clear that the increasing interdependence of national economies, the global integration of markets and the relationship between trade flows and investment needed in Russia to adapt to the rules and disciplines of the WTO its legislation Trade of goods, services, exchange rate regime and investment.

V.1 Policy monetary and fiscal economic:

The economic policy of the country aimed to "less bureaucratic" economy, in particular to eliminate unnecessary administrative barriers and punitive, to improve competition and make the country more attractive to investors, and to achieve fiscal and monetary stability. The monetary policy of the Russian Federation opted for a balanced monetary system does not impose restrictions on domestic and foreign economic operators and to create favorable conditions for sustainable economic development in the long term. To achieve this, Russia was the return of inflation to the level projected, the fundamental objective of monetary policy is to conduct a policy of managed floating exchange rate of the national currency. All these initiatives were accompanied by liberalization of exchange. According to Order No. R-38 of 19 January 2006, which defines the main areas of fiscal policy and the development of Russia (2006-2008), the Russian government, was working to ensure the achievement of strategic objectives such as increasing the well-being of the population and reducing poverty through economic growth and dynamic sound and improved competitiveness. The Government of the



Russian Federation led a balanced budget policy and a prudent monetary policy, maintained a significant level of international reserves and ensured the establishment of the Fund to stabilize the country.

V.2 Pricing Policy: Prices, which were regulated by the state in certain areas are determined by the free play of market forces in most sectors of the Russian economy. The pricing policy was conducted by the Russian government, the federal and sub-federal executive bodies for goods and services. Normative legal acts of federal executive bodies for the regulation of prices of goods and services were the subject of an official publication, and all decisions of the federal government regarding the regulation of prices and tariffs, including those services provided by natural monopolies, were published in the Official Journal "Rossiyskaya Gazeta".

Following the reform, it was intended to create a competitive electricity market in Russia by taking two sets of measurements. The first was to unbundle transportation companies and electricity distribution and generation companies, sales and technical maintenance. These last were the subject of privatization programs while carriers and distribution remained under the control of the state (in terms of ownership and control of prices). The second set of measures aimed at reducing the intervention State price controls in the segments of the electricity sector where the regulations apply to the market. This objective was achieved with in 2003 of the deregulated electricity market. The volume of electricity sold on the deregulated market had reached at the end of 2010, 80 percent of the electricity sold in the Russian market. Conditions of sale of electricity to regulated prices were set by law. Energy companies and industrial consumers, including producers of steel and fertilizers, purchased electricity price deregulation. In view of the accession, Russia has begun a process of regulatory reform, which could not be completed overnight. Russia wanted to maintain control over the price of energy for household consumption and estimated that its accession to the WTO should be an opportunity to correct the source of the harmful effects of dual price favored manufacturing. Its representatives considered that the regulatory reform of the energy sector would also benefit the entire Russian economy, promoting a more efficient allocation of resources and stimulating investment and competitiveness. The price of natural gas on the domestic market guarantees, both economically viable production and recovery of costs, including production costs, overheads, finance costs, transportation costs, the costs of maintenance and modernization of the infrastructure of extraction and distribution, the cost of investments made or planned for the exploration and exploitation of new deposits, and a reasonable profit. Regarding the disparity between the price of gas sold to industrial consumers in Russia and the world price of gas, it was explained that the price of gas exported was not regulated and was determined based on supply and demand in the importing country. There was no "world price" for gas and for gas Exported to Europe, shipping and transportation accounted for a significant proportion of landed cost.



V.3 In terms of competition:

The Russian authorities attached great importance to competition policy and had closely followed the activities of the Working Group on the Interaction between Trade and Competition Policy in the W.T.O .The goal was the legal framework established for this purpose, was to create a favorable climate for companies and facilitate competition and the efficient functioning of markets apply to prevent, mitigate and eliminate monopolistic practices and anti-competitive among economic actors.

<u>V.4 The Russian banking system</u>: The Central Bank of the Russian Federation (Bank of Russia or BCR) led monetary policy and credit uniform in cooperation with the Government of the Russian Federation. Decisions on monetary policy and credit were taken by the Board of Directors of the Bank of Russia and the Committee of monetary policy and credit of the Bank of Russia. In addition, National Banking Commission, which was charged with examining a number of issues relating to the activities of the Bank of Russia, in particular the draft "Guidelines for the common monetary policy," composed of representatives of the Government of Russian Federation and participated in meetings of

the Board of Directors of the Bank of Russia, where they had an advisory vote. Accordance with Russian legislation, the Bank of Russia and the Government of the Russian Federation should inform each other of measures they plan to take on the national level: they coordinated their policies and held regular consultations. Regarding issues of Treasury bonds and debt repayment of the Russian Federation, the Bank of Russia consulted the Ministry of Finance. BCR to achieve the objectives of monetary policy and respond more quickly and effectively to changes in the money markets and credit, using the full range of tools and methods more free cash market instruments, combining sterilization operations in the medium and long term funds temporarily unused and operations to provide banks with the liquidity they need, making it easier to maintain balanced conditions and relatively stable on the money market. The use of instruments and methods of monetary control was based on the combination of periodic auctions and standing facilities. These instruments and methods were adjusted to the economic situation within the legal framework's main instruments and methods of monetary policy B.C.R were the following:

-The interest rate on the operations of the BCR, the coefficients of reserve requirements,

-Open market operations, refinancing credit institutions, interventions on exchange market, issuing bonds for its own account and the rate of growth of the money supply. The Credit institutions frequently resorted averaging of reserve requirements, to manage their own liquidity. In 2009, the BCR has tried essentially to minimize the negative effects of the global economic crisis on the Russian economy: a significant decline in GDP (7.9 percent in 2009), a strong currency devaluation National and outflow of capital (57 billion U.S. dollars in 2009). Massive interventions by the money market and its policy interest rate, the B.C.R was able to stop the devaluation of the ruble and the stability of the banking sector was supported by the capitalization and liquidity and its ability to reorganize credit institutions. In 2010, the BCR has reduced its interventions specifically designed to tackle the crisis. This initiative, combined with the flexibility of the BCR. With the experience gained during the crisis, the BCR



consolidated financial stability by applying in particular to strengthen the risk management rules imposed on credit organizations.

VI.The accession of Algeria to the World Trade Organization:

We study now the process of the accession of Algeria to the World Trade Organization, the main phases of the process and the key figures of the economic opening of Algeria and its integration into the global economy. We try to analyze, in the second point, the duration of the process, problems of inadequacy of the Algerian economy standards and standards of the WTO, and the factors explaining the difficulty of building the institutions of good quality. **This problem of inadequate institutional persists despite reforms.**

VI.1. The process of accession of Algeria to the World Trade Organization:

The process of accession of Algeria to the World Trade Organization, which began in 1987 with GATT is by far the longest among the accession process.

VI.2 Framing History of the accession process:

Algeria is committed to the integration process in the multilateral trading system since the filing of the formal request in June 1987. Ainsi the accession of Algeria became the longest process ever for the system. In according to the actions performed and the conduct of reforms, the process can be divided into three phases:

VI.3 The first, which runs from June 1987 to July 1996.

Algerian authorities were content to apply for membership.Negotiations concrete commitments from the presentation by Algeria of its memorandum of foreign trade in July 1996, and the holding of the first meeting of the Working Group in April 1998.

VI.4 The second phase (1996-2007):

<u>A</u>lthough it demonstrates the involvement of the Algerian authorities and the manifestation of a choice of opening, gives the impression of a lack of remarkable progress, to achieve this choice and progress in the accession process to the WTO, which operates according to a logic which club it is necessary to "**pay a ticket**" if you wish to become a member. Accession is a set of structural transformation, institutional, political and economic that the applicant must implement and should bear the costs. These Multidimensional Transformations are essential because it is they which determine the success or not of the accession process. The process of liberalization implied accession, first responds to changes and internal changes, before pointing to the international economic and trade liberalization. In 2002, when Algeria filed a second version of the memorandum, the financial situation had improved significantly Algeria has accumulated significant foreign exchange reserves and began early repayment of its debts and the financial and economic indicators of the Algeria economy.



VII. Determinants of the accession of Algeria to the WTO:

In view of its accession to the Minister of Trade at the WTO Ministerial Conference held in Singapore from 9-13 December 1996, "My country, Algeria has made its application for accession to the World Trade Organization and officially submitted, in the year 1996, the Memorandum on the Foreign Trade Regime. Must pass in the next few weeks his answers to written questions which have so far received. Our hope, of course, is that the negotiation process can be done quickly because the final outcome of our request for accession will be an important moment in the economic liberalization that Algeria has undertaken in recent years. the WTO will indeed strengthen a number of key principles that are already implemented today in the Algerian economy, such as freedom of trade and industry, openness to investment abroad, the gradual privatization of production of goods and services, or the complete removal of all non-tariff barriers to trade "

This strategic choice is not without constraints, because it requires changes, adaptations and structural and institutional reforms that must be implemented by Algeria, to comply with the rules of the international trade body which is the WTO. The latter, despite the complexity of the technical process of accession negotiations and the difficulties resulting adjustments, attracts new countries

the WTO process since the filing of the application for accession in June 1987, Algeria has opted for a choice that is economic openness and integration of its economy into the international economy. To confirm this, we quote the official statements of

VII.1 Complexity and inevitable constraints of the accession process:

Accession to the WTO is a complex process consisting of three phases, bilateral, plurilateral and multilateral and is not limited in duration. Accession process, well defined and established, is not standard. Each accession is a special case. Moreover, its purpose is to adjust policies to applicants norms and standards of the WTO on trade in goods, trade in services (GATS), the regulation of foreign investment (TRIMS), related intellectual property (TRIPS) and international standards (SPS and TBT). The candidate country for accession must meet two objectives: implement structural and institutional changes induced by the accession to make its economic system consistent with the principles of the multilateral trading system and to produce concrete offers access to its markets for goods and services.

The applicant must demonstrate to Members, its ability to align with the requirements and provisions of the WTO to liberalize its economy. Members have a role in the process of accession since fully involved in the negotiation phase and phase responses matter and may request changes and improvements offers the applicant if they consider imperfect. Algerian authorities have frozen the process of accession to the GATT until 1996, the year when Algeria introduced its first memorandum on foreign trade. Algeria has not seized the opportunity of observer, to adhere to the agreement of the Uruguay round. The transition from the GATT to the WTO has made the procedure more difficult and complex. The result is a more complex procedure involving accession, from the point of view of the Algerian economy, structural adjustment and institutional large scale. The latter occurs at a time when



the national economic development project knew a redefinition (1993-1995). The simultaneity of these events help to explain the long delay in Algeria.

VII.2 Structural determinants of home :

Induced benefits of accession and the opening of the Algerian economy are taught in the theory of international trade and comparative advantage of David Ricardo. His theory explains that, in a context of free trade, each country is specialized in the production for which it has the highest productivity and the lowest low compared with its partners, will increase its national wealth. This production is one for which he has a "comparative advantage." Accession to the WTO will allow Algeria to increase its exports that benefit from the provision of the most favored nation in the multilateral trading system, and secure markets. It cites the statements of the Minister of Trade Algerian who was interviewed by questionnaire, the benefits of the accession of Algeria to the WTO, said that "... in joining the WTO, government hoped to encourage diversification of the economy, facilitate regional integration of the country into European markets and those of other countries of the Maghreb and provide a legal basis and an extension of the opening of international trade."Given that the WTO system encourages free trade by lowering tariffs and non-tariff Algeria's accession to the W.T.O can help to reduce the invoice cost of imports.

VII.3 The institutional determinants of home:

The procedure for accession to the WTO may lead to institutional reforms that will attract national and international investment and can lead to privatize state-owned enterprises. The number of enterprises to be privatized sectors targeted for privatization, privatization methods remain under the control of the state and not the WTO. Accession to the WTO in their own right, allow Algeria to participate strongly in the implementation of the rules of the multilateral trading system and limit the risks of conflicts .An Active participation in the enclosure international trade is based on the argument of the cost of exclusion that, in a global economy integrated, being away from the multilateral trading system generates costs for a country. In cases where conflicts occur, Algeria may use the dispute settlement body which is under the authority of the WTO. The accession to the WTO would protect the government against internal pressures likely to lower the overall level of welfare of the population and implement the principles of transparency and non-discrimination towards others , which limits the possible extent of corrupt practices and reduced the authority of the WTO. These changes, which the applicant must conduct, are institutional and regulatory in first.

VII.4. Institutional adaptations laws and regulations adopted by Algeria:

Algeria has conducted a series of institutional and legislative reforms in order to adapt to the rules and provisions of the multilateral trading system. Overall speaking, these adaptations are based on logic of gradual liberalization of all spheres of the economy markets: goods, services, labor and capital.

The sequence begins with the reform measures to stabilize macroeconomic aggregates, through the liberalization of prices of goods and services in domestic markets and the lowering of quantitative restrictions on imports, liberalization of the labor market and the



financial market, privatization of public enterprises can also affects the reform of the legal framework including the right to property, trade and tax law and government.

Conclusion :

Algeria has not seized the opportunity given to observer countries or acceding to GATT becomes a full member of the new organization. The transition from the GATT to the WTO made the accession process **more complex and more demanding**.

The accession of Algeria to W.T.O and economic openness is a political, strategic and affect the production process and the development process of the Algerian economy. This opening requires a series of structural reforms and institutional changes including: systems review of administrative authorizations, import licenses, tax treaties, the removal of trade monopolies and subsidies for investment, simplify procedures and regulations governing land tenure, transparency in government economic activities, revision of the Customs Code, has a major impact on the circuit productive and distributive pension principles of the multilateral trading system impose internal transformations, and structural reforms and Legal Algerian economic system.

The duration of the accession process can be explained in part by the complexity of the process itself, and the specific problems related to the Algerian economy and its mode of regulation of the other.

The process of accession to the WTO, although it is defined and prescribed, is a process of learning and preparation for the applicants. Complex, inevitable, multi-faceted and compelling because of the nature of the rules WTO.

The problems with the Algerian economy, are largely due to its nature and structure. This economy endures a double problem: an economy heavily dependent on hydrocarbon incomes(which represent 98% of export earnings, 47% of the value and an undiversified economy (the non-oil exports are insignificant 2%). The Algeria has the characteristics of an oil economy and rentier (SERRS, 1964, Luciani 1987) and the state is still omnipresent in almost of all economic sectors (over 65% of segments staples at the market and over 50% of the money is under the control of the state). These basic features are not compatible with the status of a market economy as is established in the accession process. Despite the reforms and the changes, institutional structural reforms required for accession to the WTO and radically alter the socio-economic balance, lacking pace and is considered slow and insufficient.

Problems that still are posed for accession to the WTO, are related to the use of duality prices, the price of oil and gas, quantitative restrictions on trade (import and export), quality standards to protect the health of both men and animals (sanitary and phytosanitary) rules of environmental protection in the use of oil energy, environmental agreements, measures concerning the free movement of capital (transfer of profits), and rights related to intellectual property. The Deputy Director General of the WTO, Alejandro Jara during a recent visit early June 2017 in Algiers, insisted that "Algeria should redouble efforts for accession to this organization to not remain on the sidelines of global change".



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