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Proposal for a

COUNCIL DECISION

**establishing the position to be taken by the European Union within the Ministerial
Conference of the World Trade Organization on the accession of the Republic of Liberia
to the WTO**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

Members of the World Trade Organization (WTO) and the Republic of Liberia have reached the concluding stage of an agreement on the terms for the accession of the Republic of Liberia to the organization. This comes after 8 years of negotiations, which began when the Republic of Liberia submitted its application to join the WTO in 2007. A summary of the terms of the accession is set out below under point 5.

In submitting the terms of Accession of the Republic of Liberia to the WTO for approval by the Council, the Commission considers these terms as representing a balanced and ambitious package of market opening commitments, which will bring substantial benefits to the Republic of Liberia and its WTO trading partners alike. Liberia's request for accession has been examined in accordance with the guidelines set out by the WTO General Council on the accession of least-developed countries (LDC) and taking into account the overall bilateral trade relations with Liberia in the context of the EU-ACP partnership.

- **Consistency with existing policy provisions in the policy area**

Multilateralism is at the heart of EU's trade policy and the EU supports the WTO accession of third countries on right terms.

- **Consistency with other Union policies**

Consistent with the EU external action and development policy, the proposal will anchor Liberia in the multilateral trading system in accordance with the guidelines set out by the WTO General Council on the accession of least-developed countries (LDC) and taking into account the overall bilateral trade relations with Liberia in the context of the EU-ACP partnership.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

A Council Decision approving the terms of the Republic of Liberia's accession to the WTO is required by Article 218(9) of the Treaty of the Functioning of the European Union before the EU can formally support that approval in the WTO.

- **Subsidiarity (for non-exclusive competence)**

Not applicable. EU exclusive competence for trade.

- **Proportionality**

Not applicable. An Article 218(9) Council Decision is required.

- **Choice of the instrument**

Not applicable. An Article 218(9) Council Decision is required.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable

- **Stakeholder consultations**

Not applicable

- **Collection and use of expertise**

Not applicable

- **Impact assessment**

Unnecessary. An Article 218(9) Council Decision is required.

- **Regulatory fitness and simplification**

The proposal is not linked to REFIT

- **Fundamental rights**

The proposal has no consequences for the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal has no budgetary implications.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable

- **Detailed explanation of the specific provisions of the proposal**

Summary of terms of accession

Schedules of commitments

Goods (overall)

The average final bound rate (FBR) in the accession schedule of Liberia is 26.6 %.

The average FBR for agricultural products at 23.6% is lower than the 27.2% observed for industrial goods.

Liberia will implement most of the FBRs as from the date of accession. For 249 tariff lines (TLs), i.e. 4% of its schedule, Liberia FBR will be implemented only by 2019.

These average levels for tariffs are of a very high standard for a LDC, especially taking into consideration the small size and vulnerability of the economy of Liberia.

Industrial Goods

The average FBR for non-agricultural products is 27.2%.

- Liberia is binding 100% of its schedule, taking bound tariff commitments for all industrial goods.
- The highest tariff peaks are at 50% for paints, household plastics, sanitary paper, and wooden furniture.

Agricultural goods

- The average FBR for agricultural products is 23.6%.

- The highest tariff peaks in agriculture are at 50% for cocoa beans, tomato ketchup and mineral waters.

Services

Liberia's schedule of specific commitments in services is very comprehensive and ambitious considering its LDC status. Liberia will undertake market access and national treatment commitments in a broad range of services sectors, including professional, computer and other business services, communication services, construction services, distribution services, private educational services, environmental services, financial (insurance and banking) services, privately funded health and social services, tourism services, recreational, cultural and sporting services and transport services (maritime, internal waterways and road transport services and services auxiliary to all modes of transport).

Protocol commitments

In the final, multilateral stage of the accession process, WTO Members collectively sought to ensure the basic compatibility of Liberia's trade laws and institutions with WTO rules and agreements, setting these out in the Working Party Report.

Technical assistance and/or transition periods were requested to implement some WTO commitments. As regards transitional periods, Liberia will have until 1st August 2017 to ensure full compliance with WTO obligations on fees and charges in connection with importation and exportation, on Technical Barriers to Trade and on Sanitary and Phytosanitary measures. Liberia will also be able to maintain some TRIMS-incompatible investment incentives until 1st August 2019.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 91, 100(2) and the first subparagraph of Article 207(4), in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 13 June 2007 the Government of the Republic of Liberia applied for accession to the Marrakesh Agreement establishing the World Trade Organization (WTO), pursuant to Article XII of that Agreement.
- (2) A Working Party on the accession of the Republic of Liberia was established on 18 December 2007 in order to reach agreement on terms of accession acceptable to the Republic of Liberia and all WTO Members.
- (3) The Commission, on behalf of the Union, has negotiated a comprehensive series of market opening commitments on the part of the Republic of Liberia which are in line with the guidelines set out by the WTO General Council on the accession of least-developed countries (LDC) and which satisfy the Union's requests taking into account the bilateral trade relations with the Republic of Liberia in the context of the EU-ACP partnership.
- (4) These commitments are now embodied in the Protocol of Accession of the Republic of Liberia to the WTO.
- (5) Accession to the WTO is expected to make a positive and lasting contribution to the process of economic reform and sustainable development in the Republic of Liberia.
- (6) The Protocol of Accession should therefore be approved.
- (7) Article XII of the Agreement establishing the WTO provides that the terms of accession are to be agreed between the acceding Member and the WTO, and that the Ministerial Conference of the WTO approves the terms of accession on the WTO side. Article IV.2 of the Agreement establishing the WTO provides that in the intervals between meetings of the Ministerial Conference, its functions shall be conducted by the General Council.
- (8) Accordingly, it is necessary to establish the position to be taken by the Union within the Ministerial Conference of the WTO on the accession of the Republic of Liberia to the WTO,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken by the European Union within the Ministerial Conference of the World Trade Organization on the accession of the Republic of Liberia to the WTO is to approve the accession.

Article 2

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council
The President*