Background Profile on Afghanistan (/en/country-profile-afghanistan)


Benefits of Afghanistan’s accession to WTO

Business & Economics (/en/business-economics)

KABUL (Pajhwok): Afghanistan a least-developed and landlocked country is yet to become a Member of the World Trade Organization ("WTO"). Afghanistan has currently Observer Status and will be granted membership after the final working party report is adopted and the Ministerial Conference awards approval.

Upon accession to the WTO for the first time, Afghanistan will be experiencing integration into international economy and market, be benefited of a fair, free and nondiscriminatory international trade within the framework of the WTO and thus gain sustainable development to the great extent.

Afghan goods and services will be recognized and awarded most favored nation treatment by the international market, bodies and fellow Members. To be precise, all the like products and services of Afghanistan will be awarded immediate and unconditional advantage, favor, privilege or immunity that has been already awarded to the like products and services of the other WTO Members.

Recently, the government of Pakistan increased custom duties thrice of what it used to be on Afghanistan fruits being exported to Pakistan, which caused great loss to Afghan traders. Had Afghanistan been Member of the WTO, government of Pakistan would have been under obligation to treat Afghanistan fruits equally as those of other exporting Member countries.

Thus in the present situation, it is believed that free trade without any discrimination or condition and pursuant to the most favored nation treatment and other principles under WTO law is of immense importance for Afghanistan products and services.

Further, WTO membership will not only provide access to cheap international markets and commodities but will also give rise to both export and competition. Competition in return will require and persuade quality improvement and standardization which is equally beneficial to both consumers and producers. Through WTO membership Afghanistan will be enabled to attract foreign direct investment in various sectors which will increase job opportunities, transfer technology among and from the Members, and decrease trade negotiation costs.

The level of trade negotiations will be transformed from bilateral and regional level to the multilateral level. Afghanistan as a least-developed country will be entitled to the preferential treatments under the WTO law from WTO Members in terms of Special and Differential Treatment provisions enshrined within the WTO agreements.

These provisions grant a least-developed country special All Copyrights Reserved rights so as to be treated more favorably by the developed country Members in comparison to other WTO Members. Such provisions may include awarding longer time for implementing agreements and commitments, increase of trade opportunities, protection of trade interests by other Members and/or capacity building in order to handle disputes and implement technical standards.

Besides, Afghanistan can also request for technical assistance provided by the WTO which will adversely improve the national capacity related to trade, policy makings and dispute resolution.

Similarly, Afghanistan will also be able to access WTO dispute settlement mechanism. Dispute Settlement Understanding (DSU) is considered to be the backbone of dispute settlement under the WTO in order to treat all the Members according to a rule based system and to ensure that their share in and trade rights under international trade are fairly secured during dispute settlement.
DSU on rules and procedures governing settlement of disputes provides certain special rules as well with regards to the least-developed countries so as to assist them during dispute settlement. In particular Article 24 of DSU requires the WTO Members to give particular consideration to the special situations of a least developed country Member at all the stages of the determination of the cause of a dispute and of dispute settlement procedures when such a Member is involved.

At the same time due restraint shall be exercised by the complaining parties in asking for compensation or seeking authorization to suspend the application of concessions or other obligations, if nullification or impairment is found due to a measure taken by a least developed country.

Further, during the consultations if the dispute is not resolved satisfactorily, upon the request of such least developed country Member, the director general or the chairman of dispute settlement body shall offer their good offices, conciliation and mediation so as to assist the parties involved in dispute to settle the same before the request for establishment of panel is submitted.

Therefore, relying on the WTO dispute settlement mechanism will assist Afghanistan to have a strong stand against the opponent Member/s during settlement of trade related disputes.

Afghanistan will be entitled to these benefits after accession to the WTO which can be utilized if post accession challenges are recognized and tackled. One of the major challenges, at the present, is security situation and the strategic location of Afghanistan itself as it connects central Asia to south Asia and provides China a trade route to Europe and Middle East as well.

Lack of strong political and economic assistance and cooperation from and within these regions will add to security issues as currently we are witnessing various terrorizing movements by known groups and organizations. Another challenge one may claim is the lack of institutional competency and legal capacity to deal with trade related matters and disputes.

Trade related disputes are vital part of multilateral trading system, settlement of which needs qualified legal expertise. Protection of domestic and infant industries, environmental issues such as deforestation and pollution, delay in enacting certain required laws by the legislation such as Industrial Design law, Patent Law and Foreign Trade Law, etc. are the other challenges which shall also be tackled in order to utilize the above mentioned benefits.

It is believed that Afghanistan has nothing to lose by joining the WTO which is a Member driven international organization where decisions are made by consensus and Afghanistan can actively participate in shaping and structuring the trade rules. Analysis of the current trade status of Afghanistan, where the level of imports are higher than exports or to say that Afghan markets are already open to the other Members, indicates the very importance of the benefits of accession to the WTO.

Once acceded, the core responsibility of the government of Afghanistan is sincere compliance with and fulfillment of obligations and commitments under the WTO law and agreements. To succeed, political and economic stability and commitment is must.

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