

# **WTO Accession and Required Product Standards: The Case of Ethiopia**

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## **Abstract**

The word 'standard' has become a common term in all sectors of business. The desire towards having the best standards in goods and services is progressively increasing. Participants in all business undertakings do not negate the idea of having the best quality. Consumers look for a product or service with high standards. And, transactions are expected to result in the satisfaction of the parties, with a special concern that consumers need to be protected from any possible harm that would occur from the normal consumption of any goods or services. The future of the world, borrowing the words of the US president Barrack Obama's address to the 62<sup>nd</sup> United Nation General Assembly, is established on pillars, one being the expansion of global trade with opportunities to people in all countries. At present time, global trade has become an essential element in the proper functioning of the world as it caters for the economic needs of nations. More than half of the nations in the world are members of an international trade organization whose primary aim is fostering global trade and expanding market access by reducing and eliminating trade barriers. As the significance of trade is increasing in countries that have embraced the multilateral trade regime, many nations including Ethiopia, are in the process of joining this trade regime. When countries welcome the products and services of other nations in international trade, a responsibility resides in importers to monitor the 'standards'. The first point of focus in this regard is to make sure that the safety and health of people are not affected negatively. The protection of animal and plant life, plus the concern about the environment will be major issues of concern. The next step will then be assuring that imported products and services fulfill the standards required by domestic consumers. This envisages availability of different alternatives to choose from. These concerns exist whether a nation is importing or exporting.

## **Introduction**

The word 'standard' has become a common term in every business sector. The desire towards best standards in goods and services is progressively increasing. Stakeholders in all business sectors invariably agree on the need of a production of goods and services with quality fitting the purpose they are created to. Consumers look for a product or service with high quality standards. And transactions are expected to result in the satisfaction of all parties, with a special concern on safety since consumers need to be protected from any possible harm that would occur from the normal consumption of goods or services.

The future of the world, borrowing the words of the US president Barack Obama' to the 62<sup>nd</sup> United Nation General Assembly, is established on some pillars, one of which is the expansion of global trade and subsequent creation of new opportunities to people in all countries. At present, global trade has become an essential element in the proper functioning of the world as it satisfies for the economic needs of nations. More than half of the nations in the world are members of an international trade organization, Wto, whose primary aim is fostering global trade and expanding market access by reducing and eliminating trade barriers. As the significance of trade is increasing in countries that have embraced a multilateral trade regime, many nations, including Ethiopia, are in the process of joining this new trade regime.

As countries may welcome the products and services of other nations in international trade, the responsibility for monitor the "standards" fall on importers. In this regard the first focus point is to make sure that the safety and health of people are not affected negatively. Protections of animal and plant life, together with a general concern about environment, are the following ones. The next step will then be assuring that imported products and services fulfill the standards required by domestic consumers. That involves availability of different alternatives to choose from and occurs

whether a nation is importing or exporting. Therefore it is through the use of certain set fix standards framework that an importing country can check whether the goods and services received from another state are not hazardous to humans, plants, animals and the environment. Thus, safety measures are first of all necessary, but three pertinent issues needing to be addressed arise. These questions are:

- a) Who set the standards?
- b) What will happen in existence of multiplicity of standards?
- c) How can the harmonization of standards be achieved?

The economic condition of developing countries and their balance of payments in international trade in export section are adversely affected by different import standards set by the developed countries. The standard requirements are usually beyond of what developing countries can meet. As a result, benefits that are expected to accrue from international trade at large are becoming hardly attainable. In short, the market access margin that could be obtained through World Trade Organization (WTO) is eroded as a result of product and process standards, difficult and very costly for to achieve for developing countries.

Ethiopia is in the process of join the WTO. Needless-to-say Ethiopia can have lessons from the problems encountered and the opportunities gained by developing countries that have previously acceded to the WTO legal regime. It is thus significant and interesting analyze how that pertinent issues related with WTO accession were proactively addressed. This paper aim to investigate whether Ethiopian products and services will meet the standards set by WTO member countries and what ought to be done to meet challenges related with standards. The researcher also addresses the issue whether Ethiopia is equipped with the technical as well skilled manpower to solve these standard requirements. Moreover this work discusses the role of the governmental standard agencies and whether Ethiopia will have the human

and financial resources to make use of the WTO DSB (Dispute Settlement Body), in the event of product rejection basing on standards.

The research approach is doctrinal; it has used the international legal regime as its primary source and an array of relevant literature as secondary sources, which include literature from international trade scholars and practitioners. The conceptual and doctrinal research is further substantiated by some interviews and observations. Finally note that for purpose of fitting the publication requirement the writer was forced to state only the basics of the original work.

## **Standards and trade**

For reason and discuss about world trade in relation to product standards is needed before to examine relationship between trade and standards and its determinants.

## **General Remarks on the WTO**

WTO is referred to as “a negotiation forum, a set of rules and a dispute settlement forum.”<sup>1</sup> It, after being the defacto organization of the mere agreement by the name Gatt (General Agreements on Tariffs and Trade) <sup>2</sup>, was strengthened by series of trade rounds under the umbrella of GATT resulting in a de jure trade institute in 1994 by the name World Trade Organizations.<sup>3</sup> It is this global trade entity that is at present referred to as a negotiation forum, set of rules and dispute settlement forum.

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<sup>1</sup> Understanding World Trade Organization, [www.wto.org](http://www.wto.org) (accessed on Sep 25, 2009).

<sup>2</sup> John H.Jackson, William J.Davey & Alan O.Skyes, Legal Problem of international economic relations: cases, materials and text St.Paul Minn, 4<sup>th</sup> ed. (2002) p.208.

<sup>3</sup> Id. The move from GATT to WTO took decades, but the result of the Uruguay round trade talk was labeled the best result of trade negotiations held so far. The

WTO is a negotiation forum in the sense that it brings bilateral trade talks to multilateral trade regimes level. The passage from GATT to WTO took a series of negotiation lasting years. Starting from the year 1947 to the Birth of WTO in 1994, members passed from the number of 23 to 123(inclusive of economic unions) gather around a table, set their interest, learn what others have to say, debate on different trade and political view and then, hopefully, reach an agreement.<sup>4</sup> Picturing WTO as a negotiation forum looks valid at present because the Doha Development Agenda (DDA) trade talks are underway. The discussion concerns crucial issues for developing nations.<sup>5</sup> As international trade has a dynamic nature, members are expected to meet and discuss challenges in the trading arena. It seems that the success of achieving the motto of WTO, "we must take risks, otherwise there is no change", can be a reality only if members work towards a common goal by setting aside their glaring differences and by undertaking multilateral discussion with a view to enabling a more smooth flow of global trade. It is such a setting that can enable WTO to be consistent towards its function as a negotiation forum.

WTO can be also explained as a set of rules. Without stipulated and common rules, the governance of behavior of members is difficult to achieve. In most cases, trade talks involve rules to adhere to. The WTO legal regime has six broad set of rules, namely an umbrella agreement establishing the WTO, agreements for the three broad areas of trade WTO cover i.e. goods /Services/ Intellectual property, Dispute settlement rules and review of

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reform was not only limited to creating WTO but also include major institutional changes, the dispute resolution system coming on the front line.

<sup>4</sup> World Trade Organization, a Training Package, Module 1, (Dec 1998). Pp. E1-7. The GATT trade Rounds subject matter was primarily the issue of tariff reduction. Other topics join the talks after wards like Non-Tariff trade barriers, Trade in service, Intellectual Property and others.

<sup>5</sup> Ian. F.Ferguson, WTO Negotiations, The Doha Development Agenda, Congressional Research Service report, (Jan 18, 2008), pp 1 ff.

government trade policies. The existence of side agreements with a purpose of better implementing these broad set of rules is worth mentioning too.<sup>6</sup> These set of rules are meant to meet the scope of WTO.

The existence of vast global trade relations inevitably involve trade dispute among members and this necessitates a forum for dispute settlement. The criticisms that used to be made on GATT in this regard, has been resolved with great extent as the Uruguay rounds of trade talk resulted in a dispute settlement forum and rules. That, in turn, has enhanced the confidence of members to join the trade liberalization movement in full force and energy. WTO is now treated not only as a place of making world trade rules but also as a forum of settlement of disputes that may arise from international trade relations by their application. The quasi judicial body uses a nearly similar litigator approach as national courts and it is the justice forum for global trade. Settlement of disputes involves mechanisms by which complainant parties can consult and reach at an agreement or may involve a decision in favor or against of a party.<sup>7</sup>

The principles of trading under this organization have also been explained as:-<sup>8</sup>

- a. Trade without discrimination-* This principle is expressed by the pillar rules of WTO. According to the principles of the *Most Favored Nation* and *National Treatment* all trading partners are treated equally and discrimination is not made between foreigners and local enterprises. Trade without discrimination is thus the

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<sup>6</sup> Supra Note 1, P.S WTO is labeled as a package agreement because by becoming a member a country will be accepting the 6 broad categories of multilateral treaties with number of side agreements meant to implement them. Of course a limited number of non mandatory agreements exist on the package.

<sup>7</sup> A hand book on the WTO Dispute Settlement System, WTO: A WTO Secretarial Publication, Cambridge University Press, (2004).

<sup>8</sup> Supra Note 1

characteristic feature of the trading system.<sup>9</sup> The conception of trade liberalization is presumed to be achieved when all trading partners are provided with equal grounds to trade.

**b. Free trade: - Gradually, through negotiations-** Global trade requires market access, and on the other hand the opening of markets requires the adjustment of each member's market which in some sense involves political factors. One of the most common arguments against free trade sounds political, as it argues that the opening of the market to everybody will entail the surrender or loss of sovereignty in the aspect of economy.<sup>10</sup> This is why the move towards free trade is based on the principle of 'progressive liberalization', changes which are gradual and based on negotiations.

**c. Predictability: through binding and transparency-** What is expected of a WTO member in the trading world is stipulated ahead of becoming a member. The tariff cuts are set in a binding tariff concession schedule so that it can be possible for any member to easily predict the pros and cons of trading with a country. All changes in the process of trading are availed to members to secure predictability through transparent reporting mechanisms. It can be safely concluded that surprises in the WTO trading system are minimal.

**d. Promoting fair competition:** - Although the WTO is not a free trade institution per se, it works towards a system of rules dedicated to an open, fair and undistorted competition. The rules set in this regard

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<sup>9</sup> The Most Favored Nation and National Treatment Principles are coined in similar tone on all three major WTO rules, the General Agreement on Tariff and Trade (GATT, Article 1&3) General Agreements on Trade in Service (GATS, Article 2&17) Agreements on Trade Related Aspects of Intellectual Property (TRIPS, Article 4&3).

<sup>10</sup> Sovereignty and WTO, Stephen.C.Preston. Available at, <http://www.math.sunysb.edu>(accessed on sep 6,2009)

offer remedies against any measures or actions made towards trade distortion in direct violation of a rule or in any other way eligible for remedy.<sup>11</sup>

*e. Encourage development and economic reform:* By exploiting the benefits of comparative trade advantage, countries anticipate to register an economic growth. As can be seen from the preamble of one of the major WTO rules the GATT, raising living standards, full employment assurance, large and steadily growth in income are some reasons to pursue trade in the WTO frame work.<sup>12</sup> The achievement of these objectives is presumed to have the effect of facilitating a nation's economic development which is considered to be beneficial to all participating parties. Among the ten major benefits that are said to be obtained from WTO accession, three are directly related with economic reform, i.e. cutting the costs of living, raising incomes and stimulating economic growth.<sup>13</sup>

## **Definition of the Term 'Standards'**

A search for the meaning of the word standard results in a broad range of explanations which refer to various issues. But taking only those which have a link with the subject matter we are looking at, standard may be defined as follows:

“Standard is something established by authorities, custom or general consent as a model or criterion” or “.... Something set up and

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<sup>11</sup> Article 25 of GATT and Art 8(3) of the Dispute Settlement Understanding make both cases of violation and non-violation valid grounds of complain to the WTO Panel.

<sup>12</sup> Preamble to the General Agreement on Trade and Tariff (GATT)

<sup>13</sup> Supra Note 1

established by authority as a rule for the measure of quantity, weight, extent, and value/quality.”<sup>14</sup>

The definition considers the purpose of standard and bodies responsible to set standards. Standard is essential to measure a quality (value) of things. For instance, it is a criteria set to know the value of a certain thing. The definition also lists bodies such as standard setting authority and seemingly refers to national governments and customs authorities. This leans towards a defacto accepted practice without force of obligation while general consent refers to bilaterally or multilaterally recognized standards via treaty.

Standard may also be defined as “a limit or rule approved and monitored for compliance by an authority, agency, professional or recognized body as a minimum acceptable benchmark.”<sup>15</sup> This definition gives importance to factors such as involvement of professionals in the process of setting standards and the fact that standard in many scenarios do set the minimum benchmark. Any product/service which happens to be not in line with this benchmark will be treated as unfit to circulate in the market.

The United Nation Conference on Trade and Development (UNCTD) world trade report dealing specifically with standard and Trade states Standard as a required or agreed level of quality or attainment and something used as a measure, norm or model in a comparative evaluation. The document elaborating on the definition states:

*“The requirement that chocolate does not contain more than 5 Percent vegetable fat (instead of cacao butter) in order to warrant the name chocolate, could probably fall under both definitions of a standard. The*

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<sup>14</sup> <http://www.merriam-webster.com/dictionary/standards> (accessed on Sep 6, 2009).

<sup>15</sup> <http://www.businessdictionary.com/definition/standards.html> (accessed on Sep 6, 2009).

*requirement for a traffic light to use the three colors red, yellow and green would fall under the second definition....* <sup>16</sup>

The meaning rendered in the International guide of the world's largest global standard setting body, International organization for standards (ISO) reads as follows:

*“Standard is a document established by consents and approved by a recognized body that provides for common and repeated use, rules, guidelines or characteristics for activities or their result, aimed at the achievement of the optimum degree of order in a given context.”*

In light of the above definitions, product standards specify the character of a product. This can involve regulations affecting the design or safety of a product<sup>17</sup>, or could also mean the specification of what a certain product should have either at times of manufacturing or what a product need to serve after it reaches consumers.

## **Types of Standards**

In an article from U.S standard- Today and tomorrow, it was stated that there are more than 95,000 standards in the United States of America. <sup>18</sup> Literatures show different ways of classifying standards although some commonalities are observed. For instance, the aforementioned source classifies standards into eight, product standards being one. Others include basic standards/design standards/process standards and the like. <sup>19</sup>

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<sup>16</sup> TRADE, STANDARDS AND THE WTO, UNCTD, World trade Report, (2005) pp30,31

<sup>17</sup> Product Standard defined, The Washington Council on International trade, accessed from <http://www.wcit.org> (accessed on Sep 6, 2009).

<sup>18</sup> U.S.A Standards-Today and Tomorrow, <http://www.standardslearn.org> (accessed on Sep 20,2009).

<sup>19</sup> Id. Please note that the classification employed here is also followed by many literatures (see also, <http://www.coilws.com>)

Moreover, standards may be classified as Defacto, Dejure and Regulatory standards.<sup>20</sup> A Defacto standard refers to a standard which lacks the status of being formal or legal, but nevertheless has established some kind of acceptance in the market. On the contrary, a dejure standard is established either by national authorities or internationally recognized standard agencies and subsequently acquires the force of a law. Regulatory standards fall under this category but one designed as part of regulatory process than a full-fledged standardization. This sort of standard for instance may be developed out of necessity in a particular time and vanish afterwards.

At the time of setting standards, the interest of the target population is expected to be addressed. Distinctions as to standards exist in these regard. If the interest of all actors in an economy are considered thoroughly (effect on company profit with consumer well being) the standard is deemed public. When standards consider only the profits of a firm they become private standards.<sup>21</sup>

The Private-Public dichotomy can further be classified into mandatory and voluntary standards.<sup>22</sup> The main difference is in the first case that a product needs to fulfill the standard in order to circulate in the market, while in the later case products that do not fulfill the stipulated standards are not prohibited from market access. In a similar line of discussion the issues of 'minimum standards' and 'labeling' is also mentioned. Minimum standards are the specifications laid down that products need to fulfill to be safe for marketing. As consumers cannot easily differentiate products which fulfill

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<sup>20</sup> Types of standards, <http://www.standardsgateway.org> (accessed on Sep 1,2009)

<sup>21</sup> Supra Note 17, pp32&33 Private Standards may take into account the consumer interest. Yet this happen in cases where the firms profit is not compromised by the taking of such consideration. This article also mentions the existence of Non-Governmental organizations setting product standards and treats them in the private sector.

<sup>22</sup> <http://www.Jurisint.org/pub/06/en/doc/cos.pdf.manadatoryandvoluntarystandards>. (Accessed at Sep 1, 2009).

standards from those which do not, the system of ‘labeling’ can be employed for purpose of informing product users.<sup>23</sup>

## The Need for Standards

Trade experts do not question the need for product standards. We can imagine what the world would look in the absence of standards that ought to be observed in the production of goods and services. Apparently, standards of such goods and services affect each of us one way or the other.<sup>24</sup> The necessity of standards surpasses the traditional function narrated everywhere, i.e., confidence building on the safety/health/security/quality and flexibility of a product.

*“Standardization brings important benefit to business including solid foundation up on which to develop new technologies and an opportunity to share and enhance existing practice. It also plays a pivotal role in assisting governments, Administration, Registers, the legal profession as legislation/Regulation and policy initiatives are all supported by standardization”.*<sup>25</sup>

It is also stated that standards serve the following three basic purposes:<sup>26</sup>

- (a) **Compatibility:** - Certain products will have no or little value if consumed isolated. The existence of complementary products necessitates compatibility. Standardization can achieve such by solving the problem of coordination.
- (b) **Information asymmetry:** - “Information asymmetry is a situation that occurs when producers are with information of product while

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<sup>23</sup> Id, p 83 ff

<sup>24</sup> Why we need standards, <http://www.etsi.org> (accessed at Sep 1, 2009).

<sup>25</sup> Ibid

<sup>26</sup> Supra Note 17, pp 35-51

purchasers are not.”<sup>27</sup> Many of the producer liability rules come to action after the consumer reaches the point of no return. As such standardization plays a huge role by eliminating the information gap. The under-supply of “quality” output will reduce if standards are in place. The ascertainment of quality can be made either at the time of purchase or in the process of using the good. Real problem appears in circumstances where quality check is rarely learned even after consuming the product. The role of standards in these aspects is of paramount importance to the consumer.

(c) **Consumption externality:** - Information asymmetry was spelled in the context of product safety while being used by the consumer. The focus is protection of the interest of product users. But market entry of products and afterward consumption affect others too. Environment externality is a form of market failure that arises because the use of environmental resources is not properly priced. The effect of trading of a product has an international aspect. Concerns about the future of the planet emanate from the usage of products and product processes. Such concerns necessitate product standards which will mull over such consumption externalities. Standardization can save the planet.<sup>28</sup>

## **Product Standard: the Ethiopian Case for Multilateral Trade Regime**

### **Standards in Ethiopia**

The issue of 'standards' is becoming a mandatory requirement in many aspects of products, as a result of which producers have a better

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<sup>27</sup> For a detail analysis of Information asymmetry relating to standards please refer.

<sup>28</sup> The lead word of the current world standards date celebrated on 14<sup>th</sup> Oct 2009 was ‘Tackling Climate change through standards’

understanding and perspective on the issue. Attitude on a certain concept may be measured by the effort the government is putting to make sure that the concept is perceived by all concerned in the area.

The establishment of a national standard body in Ethiopia dates back to the year 1970.<sup>29</sup> The Ethiopian standard institute (ESI) had the primary objective of promoting standardization and quality control activities in the national economy.<sup>30</sup> The move in the establishment of the organ was believed to be a component of the overall reform taken in the commercial sphere at the time to become more competitive in the developing business world.<sup>31</sup>

The organ was given a wider scope of promoting metrology, quality assurance and certification as a sole organ of the government at the national level by proclamation No. 328/1987.<sup>32</sup> Understanding the pressing need of promoting quality and standard, than merely controlling it, the organ was restructured in February 1998 based on Proclamation No. 102/98 which aimed at effectively promoting quality management practices.<sup>33</sup> At the present time the QSAE is a non-profit government organ accountable to the Ministry of Science and Technology.<sup>34</sup> This seems to have emanated from

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<sup>29</sup> Order No 64/1970 establishes the Ethiopian standard institutes (ESI)

<sup>30</sup> A brief account of the Profile, Quality and Standards Authority of Ethiopia, Information Brochure Public Relations and Education Service, A.A. 2009.

<sup>31</sup> The preamble of the Ethiopian Commercial Law shows a change in the legal framework of business world was found to be important to be competitive. After the promulgation of the Commercial Code different organs with connection to trade start to flourish, the ESI being one.

<sup>32</sup> Ethiopian Standards List, History, QSAE (2009) PP1-6

<sup>33</sup> One may note that the word 'Quality' is employed time and again. Standard is treated to be a document for quality in the context of QSAE. In this paper though the terms 'Quality' and 'Standard' have an interchangeable approach.

<sup>34</sup> Quality and standards authority of Ethiopia establishment proclamation makes the authority accountable to the Prime Minister. This has been modified by an organizational structure posted on the web of the organ on July 2, 2008. In this structure the authority was made accountable to the ministry of Trade and

the recognition of the role of science in developing, monitoring and the effective implementation of 'standards'. Yet, concerted efforts of all government organs involved in the trading process were deemed essential.

The policy making and governing organ of QSAE is the standards and certification council, whose members are appointed by the office of the Prime Minister. Headed by a Director General, QSAE comprises six directorates, three services and seven branch offices with five representative offices operational in different regions of the country, plus Djibouti.<sup>35</sup> The existence of offices at places that are routes in Ethiopia's export trade is appreciable considering the need for due attention to the quality of export products.

As standard is a matter of not only the product itself but also how it is loaded, transported and the like, having a standard office near the point of departure, facilitates products scrutinize.<sup>36</sup> The role of the directorates relates to the traditional functions of any standard setting organ i.e. setting/developing standards, monitoring the conformity of products to standards, enforcing regulation and the like.<sup>37</sup>

The vision and mission of the authority is respectively:

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Industry. A recent publication by the organ basing the amendment for the aforementioned proclamation (procl. No 413/2004/) made the authority accountable to the ministry of science and technology which itself was upgraded to a ministry level from an authority.

<sup>35</sup> The branch offices are located in Nazareth, BahirDar, Hawasa, Diredawa, Mekele, Dessie & Jimma. The representative offices are located at Moyale, Djibouti, Gondar & Humera. The head office is in Addis Ababa.

<sup>36</sup> Interview held with Ato Shiferaw ,Administration head of QSAE about the need to have different offices in parts of the country, Tahasas 4,2002 E.C

<sup>37</sup> <http://www.qsae.org/web-en/about%20us/en.orgstr.htm>., QSAE's Organizational Structure. for instance the standard and Metrology Directorate has the responsibility of developing Ethiopian standards, the quality certification Directorate certifies products systems while The inspection and verification service Directorate enforces regulation, inspect products and carryout laboratory testing.

*'To be a national center of excellence for quality and standards that substantially contributes to raising the living standards of the society' and to deliver effective quality, promotion and conformity assessment service that adds best value to products and service'.<sup>38</sup>*

The vision and mission do not expressly state the issue of being competitive in the export market by presenting products with required standards. Monitoring the extent of value adding in products through standard and the competitive value of products in the international market will increase export earning and raised society's living standards. But the mission/vision statement does not fall short of emphasizing the core responsibility of the organ: standard setting and conformity assessment.

The objectives the QSAE are the following<sup>39</sup> :

- a. Promoting and assisting the establishment of appropriate quality management practice as an integral yet distinct management function in the social and economic sector.
- b. Assisting the improvement of the quality of products and processes through the promotion and application of Ethiopian standards.
- c. Promoting and coordinating standardization at all levels in the country.
- d. Establishing a sound national metrological system as a basic structure for economic development and
- e. Strengthen, promoting and enhancing the reliability of testing laboratories nation-wide.

Objective “b” and “c” deal with developing standards while “d” & “e” provide for the establishment of the proper infrastructure/appropriate groundwork to reach at objectives “b” and “c.”

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<sup>38</sup> Supra note208

<sup>39</sup> id

In order to fulfill these objectives it is essential to empower the authority with certain tasks. This is what Article 6 of the authority's establishment proclamation provides. In brief, the provision entrusts upon the authority the power and duty to approve and declare Ethiopian standards, to formulate quality promotion and standardization policy and strategy, to establish and operate testing laboratories for conformity assessment, ban movement of product or cessation of undertaking not in line with set standards and to represent the government in matter of standardization.<sup>40</sup> An interesting provision in this regard would be sub article 18, which allows the Authority *“to carry out such other similar activities necessary for the attainment of its objectives.”*<sup>41</sup>

Accordingly, the Authority's power is not barred from extending its function to similar tasks though not enumerated in this specific provision. This allows the authority to carry out its work in a more flexible scope, so long as it does not exceed its mandate. In the field of standards, pursuits towards excellence envision the act of harmonization and working in concert with the well established national entities as well as international organs. Art 6(18) thus paves the road for the effective and independent working of the authority as it confers upon it a power to do whatever is possible towards the attainment of its objectives.<sup>42</sup>

QSAE has been actively involved in the development of Ethiopian standards. Presently 7417 Ethiopian standards exist out of which more than 6500 are active in the trade and commerce sector. The fields of products mainly cover engineering, agriculture, food and leather technology. The

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<sup>40</sup> Quality and standards Authority of Ethiopia Establishment Proclamation No. 102/98, Art. 6(1) – (18). The provision contains a detail account of the powers and duties of the organ.

<sup>41</sup> *id*, Art 6(18)

<sup>42</sup> Note also that a counter-argument can be raised on this 'unlimited' power of the authority. Objections may be there which base the fear of power abuse. But so long as the requirements of the provision are looked this fear will be minimized.

status of the standards is both inclusive of voluntary and mandatory.<sup>43</sup> The standards are developed in three ways.

- a. Original: setting a new standard which is Ethiopian;
- b. Adaptation: modifying an already existing standard elsewhere to the specific need (situation) of Ethiopia;
- c. Adoption: taking standards else where as it is.<sup>44</sup>

The task of setting standards is generally carried out by technical committees. Ninety-two technical committees are currently involved in the activity.<sup>45</sup> The three methods of developing standards are viewed through different approaches. For instance, adoption from the perspective of acceding to WTO envisages standards in line with internationally accepted standards and guidelines.<sup>46</sup> The benefits range from cost reduction of compliance to avoidance of double standardization. Analysis of the existing standards is crucial to see the amount/coverage of our standards which are in line with

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<sup>43</sup> *Supra* note 210

<sup>44</sup> Interview with Ato Sisay Alemu, Public relation and Education service director of QSAE, Oct. 14, 2009. Adoption is favored considering harmonization of standards in a multilateral trade regime.

<sup>45</sup> Each Technical Committee is with the task of establishing standards in areas it is concerned. As a show case listed some of the committees.

Tc 9 – Packaging and distribution on goods

Tc 11 – Cereals, pulses & derived products

Tc 13 – Fruits & vegetables

Tc 17 – Fish & fishers products

Tc 26 – Processed meat and poultry products

Tc 28 – Alcoholic beverages

Tc 29 – Coffee and tea

Tc 70 – Textile fabrics

Tc 73 – Raw hide / skin and tanned leather

Tc 91 – Food product in general

<sup>46</sup> SPS, Art3 and TBT Art 4, though TBT speaks of code of good practice it all boils down to harmonization of standards and technical regulations.

international standards. As the following table indicates, numbers of standards not included in the 150 list are either original or adapted from other organs. A comparison of other data shows that the Ethiopian standards on different products are highly adopted from ISO.

Table 1: Selected Ethiopian Standards in line with ISO

<b>Technical Committee</b>	<b>No of Standards</b>	<b>Same with ISO</b>	<b>Adaptation</b>
Labeling for prepackage products	8	2	6
Glass bottle	12	3	9
Man-made fibers	2	2	0
Production in textile industry	22	17	5
Textile in general	11	8	3
Cotton fabric and cotton yard	80	39	41
Food hygiene	27	19	8
Cereals and pulses	45	19	26
Fruit, vegetable and derived products	125	30	95
Meat and meat products	23	11	12
Tea	22	18	4
Coffee	37	21	16
Alcoholic beverage	80	1	99

It can be assumed from the capacity of the country in setting 'original' standards, that the standards in the last column not identical with ISO standards are results of adaptation. This leads us to presume that the country will not encounter a significant problem in relation of setting standards through adoption and adaptation strategies provided that they are complied with.

One of the mechanisms of insuring the interest of a country in international standards is to actively participate in the process of

development of standards rather than to merely copying them after they are set. Participation starts from being a member of active standard setting organs. As such, the QSAE is a member of major international organs concerned with the issue, i.e. the International Organization for Standardization. (ISO),<sup>47</sup> the International Organization of Legal Metrology (OIML), the International Electro-Technical Commission (IEC), Codex Alimentarius Commission (CAC), the African Regional Organization for Standardization (ARSO) and South African Quality Institute (SAQI).<sup>48</sup> Being part of the standardization process gives an ample opportunity to voice the concern and interest of a country, and at least it will be a mechanism of being informed about what is happening in the standard sector, so that the activities of the organ can be shaped within the same line.<sup>49</sup> The agenda here is to look to it that standards are not simply adopted to get global favor or anything, but in view of the pros and cons if a nation trades in the absence of the standard in question.<sup>50</sup>

For the purpose of developing standards or assessing the conformity of products before it is destined to export market, technical competence to carry out such a task is essential. In this aspect, the QSAE "operates a well-equipped and modern testing laboratory capable of carrying out vast number of tests"<sup>51</sup>.

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<sup>47</sup> <http://www.iso.org>, A 2002 data on ISO member bodies resources and standardization activity states Ethiopia as a member with a staff of 328. With the passage of time and reform of the organ one can assume the current status.

<sup>48</sup> Supra note 208

<sup>49</sup> Supra note 18, In these regard for instance each year the world standard day is celebrated by QSAE in collaboration with ISO & IEC. The Authority is currently involved in a task of improving its services quality to internationally accepted ones, for which the support of these international organs prove to be important.

<sup>50</sup> Adoption of standards under uncertainty, Michael Ostrovsky and Michael Schwart,, Winter 2005, (The whole article is devoted in explaining what should be done in adopting standards).

<sup>51</sup> Supra note 208

Five fields of testing are present; mechanical testing, textile and leather testing, electrical testing, chemical testing and microbiological testing.<sup>52</sup> In the wording of the general manager of QSAE the work carried out by these testing laboratories is more than satisfactory. A major concern with these laboratories was the acceptability of the results in the export market. A product approved to conform to required national/international standards in the laboratories of QSAE might face a different fate in the laboratories of the importing country. In response to a question about the return of certain export products to Ethiopia on owing to lack of standard and quality, Ato Tesfaye Nigussie, Testing expert at the QSAE, textile and leather laboratory who does not take this as a major problem, said:

*"Because we have at hand different countries' standard, we usually carry out a comparative testing method, we do not conclude standard fitness by the mere fact that our requirements are met. We double and triple check through proficiency testing mechanism. This way it will be hardly possible to an importing country to reject a product that passes through this complicated and error-proof process"*<sup>53</sup>

Not all agree with the aforementioned idea. Ato Belete Eshetu, a food product technician working in the chemical laboratories of QSAE thinks otherwise. Citing a personal experience he suggests

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<sup>52</sup> The writer has had the opportunity to have a personal visit to all these laboratories (except microbiological testing) on Oct. 14, 2009 on the occasion of world's standard day. The laboratories are filled with equipments and literally there was no enough space to stand. Though how many of these equipments are working/in use a question to ask, from the out look it seems as if all the equipment is on scene. Also young technicians were seen here and there crowded with products to test and certify. The account in this paper relating to these laboratories is then a total personal observation as well as interviews conducted with experts found in the working area.

<sup>53</sup> Interview held with Ato Tesfaye Niguise, testing expert in the textile leather laboratory of QSAE, Oct. 14, 2009. (N.B the interview was translated from Amharic to English by the writer. This holds true for all of the interviews)

*"We cannot proudly state that our labs are equipped with all what we need. Without denying that we have the basics, we still need to improve our infrastructure. Taking for example coffee, our capacity is limited to look into only the quality of the product. In the international market, importing countries are concerned into the details like the soil the coffee plant grows on, kind of fertilize used, the material in which coffee is collected, the sac it is packed in and so on. If we cannot improve our performance towards including all these in our tests, rejection is inevitable. I can even tell you a scenario where what we sent as standard product (coffee) was rejected by a major importing country. This is a problem at hand".<sup>54</sup>*

The standards developed by QSAE have the nature of being either voluntary or mandatory. This is also raised as a problem as it is only in the case of the latter that many produces/ exporters have the habit of complying with standardization. There is a strong belief that if producers start to enhance the quality and standards of all sorts of production for the domestic market, then it will be a matter of easy transformation to achieve enhanced quality and standards in production to the export market.

In the earlier part of this work, an informal data taken to asses the know-how and appreciation of product standards has been found to evoke much concern. A question to ask in this regard is what QSAE is doing to improve this long standing habit. QSAE's public relations and educational service office is entrusted with the task of creating public awareness on quality and standards, plus communicating the benefits of implementing standards to stakeholders and the general public. Organization and conducting of seminars, symposia, panel discussion, conferences, radio program, publication and exhibition is made with a view of raising the level of public awareness regarding standards.<sup>55</sup>

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<sup>54</sup> Interview held with Ato Belete Eshetu, Food Product technician, chemical testing laboratory of QSAE, Oct. 14, 2009.

<sup>55</sup> Supra note 205

Considering the work of the engineering capacity building program (ECBP) is a necessary aspect of the discussion on Ethiopian standards.<sup>56</sup> The program is primarily concerned with quality infrastructure reform of the QSAE. Explaining the benefits that can accrue from such a change, it was explained

*"For Ethiopian products to be competitive in international markets they must meet certain criteria. ECBP intends to make 'made in Ethiopia' a mark of quality. By raising Ethiopian product and processes to international standards, Ethiopia will attract much needed foreign direct investment and create new markets for its goods and services."*<sup>57</sup>

As a weapon of executing these objectives on top of working closely with QSAE, the program has developed a national quality infrastructure document which outlines what is the perfect model for Ethiopia on product standards<sup>58</sup>.

## **Ethiopia's Accession to WTO and Product Standards**

The legal regime governing WTO accession process is principally referable to Art XII of the WTO agreement which provides:

*"Any state or separate custom territory possessing full autonomy in the conduct of its commercial relations and of other matters provided for in this*

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<sup>56</sup> The engineering capacity building program, under the Ministry of Capacity Building, is an organ backed by the Ethiopian Government and GTZ, a company from Germany, which is involved with the QSAE and work on Ethiopian standards, among many of its tasks.

<sup>57</sup> Quality Infrastructure, <http://www.ecbp.biz/reform-fields/> quality (accessed on Oct. 6,2009) The organ mentions the major impacts of the quality infrastructure reform that industries which follow the adapted /adopted 2,500 standards of QSAE can be sure of meeting the requirements of export markets and thereby the potential for exports is wide.

<sup>58</sup> The effort to lay hands on the document was unsuccessful as currently the organ, and The Ministry of Capacity Building is on a reengineering phase, not in a position to handout materials, but insiders has informed the writer that the whole content of the document has been sent to the council of ministers and it becoming a law is a to be soon phenomena.

*agreement and the multilateral trade agreement may accede to this agreement, on terms to be agreed between it and WTO... ”<sup>59</sup>*

As such, the existence of commercial sovereignty, as stated in the agreement is the only requirement a nation needs in order to become a member, other than the will to join WTO. The provision is criticized by most scholars as lacking concrete guidelines of accession as it merely states terms to be agreed by WTO and acceding members.<sup>60</sup> Practically, the accession process has been termed as long and complex than Art XII sounds with different procedures. For ease of understanding this process was put into four different phases.<sup>61</sup>

The first phase is that of application and the establishment of the working party. This introductory phase will be followed by the fact finding phase. A country which requests accession to the WTO is expected to submit its memorandum of foreign trade regime with pertinent legislation/ action plans active in its jurisdiction. Data on major trading regimes are also required from an acceding nation.<sup>62</sup> Once all data and required documents are submitted, a series of questions and answers follow on documents presented. This is believed to be a fact-finding mechanism.

As a multilateral track, the memorandum of foreign trade regime submitted will be examined by the meeting of the working party. This phase will lead to the third negotiation cycle. Here commitment to rules will be made through bilateral and multilateral agreements between the acceding member and WTO members. The final stage is referred as the protocol of the

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<sup>59</sup> Art XII of the Marrakesh Agreement (1994)

<sup>60</sup> Supra note 271, pp. 14

<sup>61</sup> Supra note 278, pp. 30 ff , Supra note 272, pp. 14

<sup>62</sup> In the language of WTO, we refer these documents as WT/Acc 4 (data on agricultural domestic support and export subsidy), WT/ACC 5. (Data on trade in service), WT/Acc 9 (Data on TRIPS), data on applied tariff, are the main ones.

accession phase (POA) were in the working party is expected to present the accession package to the Ministerial Conference, supposed to approve the agreements on the terms of accession by 2/3 majority. The decision so secured need to be verified by the applicant as to acceptance with effect of making the nation a WTO member after a period of 30 days.

For the purpose of this paper, the major commitment in the process of accession is the act of bringing domestic laws and regulations governing international trade into conformity with WTO rules. The basic rules on the area of product standards, as has been stipulated all time long are the SPS and TBT. This by it self is a very demanding task in the accession process. There are claims which state new acceding members are required to commitments found even beyond the SPS and TBT agreement.<sup>63</sup>

Ethiopia has been accorded status of an observer state since 1997. The accession request was circulated on Jan 13, 2003; where in working party was established immediately. This first phase was followed by the submission of the memorandum of foreign trade regime. It took three years to submit the memorandum after the establishment of the working party. The only progress made so far till this point of time was the question and answer sessions which was held twice. We practically are trapped on the fact-finding phase as we stand.<sup>64</sup> Efforts were made to verify whether the issue of

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<sup>63</sup> Effects of WTO accession on Policy Making in sovereign states, preliminary lessons from the recent experience of transition counties (draft) Bachetth, Drabek (2002), as it appear on Oxfam International staffing note of Cambodia's accession to the WTO.

<sup>64</sup> The country is currently to hold the 4<sup>th</sup> national election that all attention of the government is devoted towards the May election. No soon we are expected then to register an improvement in the accession process; interview held with Ato Wondwesen Shewareg, MOTI, WTO Accession plus project, Thasas 20/2002 E.C. note that the term accession team for Ethiopia is in reference to the directorate under MOTI working on the issue ( Trade relation and ministerial directorate) and the WTO accession plus project.( please read this foot note taking in to account the time the project was done. Now the election being over the problem might ease.)

SPS/TBT was among the points raised in the question- answer stage. For purpose of secrecy it was not revealed, but one can reasonably expect dozen of questions will definitely relate with product standards and the Ethiopian case for such. Also assuming the successful completion of this stage we are heading to the negotiation phase. Expecting the bilateral and multilateral negotiations to be met with commitment issues related to SPS and TBT is also reasonable. Apparently the concerned bodies are not carrying any particular task regarding product standards except some impact assessment studies carried on the SPS/TBT.<sup>65</sup> This does not mean the need is not felt. According to Ato Wondwosen Shewareg, an attorney at the MOTI, WTO accession plus project, the fact that our export earning rely on agricultural products which directly relate with consumption makes 'standard' a big issue. He agrees we need to straighten what is missing in the standard circle, yet not only for the sake of acceding to WTO but to our own benefit.<sup>66</sup>

The accession team is found to be aware of what the country is doing concerning standards. It is also noted that a lack of concrete communication among the different organs dealing with standards exists. To cite an example, regarding the establishment of SPS & TBT enquiry points as required by

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<sup>65</sup> Major activities carried so far with regard to the accession process can boil down to:

- a. Preparation and submission of memorandum of foreign trade regime
- b. Preparing a road map for the accession (which puts the year 2009, as entry year...)
- c. The diagnostic trade integration study supported by WTO/UNCTAD/ITC/IMF/WB and UNDP
- d. Capacity-building activity by opening WTO affairs department in the MOTI.
- e. An impact assessment study on SPS and TBT.

<sup>66</sup> Supra note 290, It is the personal opinion of this expert that Ethiopian standards do not act as a bar for the acceding process. The writer of this paper has a totally different view of this fact. In fact he believes that if the problems we spotted in the paper regarding standards are not solved there is a high probability of being stuck on accession process, plus high risk of even losing available export markets.

these agreements<sup>67</sup> the WTO accession plus project is of the opinion that the QSAE or MOARD are in a best position to carry these task, but do not seem to act to see to it that such is done.<sup>68</sup>

Unlike the Cambodian experience of the accession team in involving the private-sector in the 'standardization' process, significant work has not yet been done in Ethiopia. Some domestic industries with big name in the export market have a negative opinion of some aspects of standard.<sup>69</sup> This is a clear result of lack of awareness which can easily be rectified through consultation, workshops and training.

The tasks of the Ethiopian team working on the accession with regard to product standard deserve utmost attention irrespective of Ethiopia's WTO accession because the marketability of Ethiopia's exports depends upon the ability to satisfy the standards and quality required in competitive global market. The tendency of looking for markets with less SPS/TBT requirements referred as '*tacit policy of exporting easy products to easy markets*'<sup>70</sup> is usually a manifestation of failure to elevate quality and standards of products. The team is thus expected to work towards making our agricultural products competitive in the export market, through the concerted efforts of organs such as QSAE and MOARD towards the alleviation and ultimate eradication of the SPS problems that are being

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<sup>67</sup> See chapter 2 of this paper,p19ff

<sup>68</sup> Supra not 290

<sup>69</sup> Interview held with Ato Zeru, Export Market Office Head of BGI Ethiopia PLC, St. George Beer Factory Head Office, and A.A. Though Ato Zeru explain the company sticks to the country set standards by QSAE and health requirements set by MOH, they do not accept the ISO Standards. In the move to WTO, with existence of major standard agreements calling for the adoption of international organizations standard for sake of harmonization such an opinion may awaken us to look at the stand of our companies and is a point the accession desk need to study deeply.(Nov25,2009)

<sup>70</sup> An alternative perspective on SPS compliance in a poor country: the case of Ethiopia, Mehdi Shifaeddin, (2006) pp.4

frequently notified by major importing countries.<sup>71</sup> This will be a strong bargaining tool in convincing negotiating members about the positive aspects of viable business partnership with Ethiopia.

ECX can be a major actor in facilitating the accession process as well as the export market access through WTO. The accession team can make use of ECX to speed up the process if members gain confidence in the trading center. It is for this reason that the issue of 'standard of products' needs to be a core point of emphasis for the ECX. A coordinated effort between these two government bodies is inevitable for a better result. The need to involve different organs for implementing all WTO agreements was long felt, when a paper studying the pros and cons of accession stated the following:

*"In respect of ensuring the full implementation of all WTO agreements, particularly the SPS and TBT agreement, a number of organizations with expertise and competency, in particular in WTO issues, are designated as focal points. These focal points serve as interlocutors for providing technical inputs on specific issues relating to the pertinent sub-committee... In this regard, the QSAE may be designated to serve as both the focal point and national inquiry point (NIP) on matters relating to standards & TBT."*<sup>72</sup>

## **Conclusions and Recommendations**

The General Agreement on Trade and Tariff (GATT) traces its *raison d'être* from various aspirations including the belief that it facilitates global peace and curbs global conflict *via* trade. And for years, it has been instrumental for multilateral trade among nations. The development from GATT to the World Trade Organization (WTO) has brought about different

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<sup>71</sup> The EU market is regarded to be the most stringent one when it comes to SPS application, and the sources of notification and concern in these regard has been chemicals, microbiological contaminations and hygiene (The last was regarded serious concerning products from LDCS), Kolstad and wiig (2002) Table 7

<sup>72</sup> Supra note 75,pp.125

trade package agreements, which have widened the horizon of the WTO regime to include trade in services and involvement of related intellectual property rights.

Trade Liberalization was the core agenda of the WTO regime for bringing world economic development. Market access is the tool for liberalizing trade, so much so that a nation's product/service will have the opportunity to land in the markets of all member nations. This involves the issue of 'product standards' i.e. what a certain product needs to fulfill in order to be marketable in an importing country.

Product standards can be established as of mandatory or voluntary. The basic need of standard was explained as 'consumption externality' which focuses on the protection of the product users. In the international trade regime, standards are set both by national bodies and certain international organs and regional bodies such as the International Organization on Standard (ISO) and the African Regional Organization for Standardization (ARSO). Different studies have established the link between trades and standard, forming the perspectives of their positive and negative correlation.

The WTO legal framework which is concerned with 'standards' is found in the main text of GATT. Art XX talks of measures a member nation can take in order to protect consumer interest and interest of plant, life, the environment and natural resources. This issue was further elaborated by SPS and TBT agreements. The former emphasis on food safety standard relating to Plant and animal health while the later covers all sorts of other products. These agreements guide on how standards shall be implemented in the multilateral trade regime, so as to avoid arbitrary/and discriminatory standards. Various case laws have enriched the texts of SPS and TBT, and at present, there exists an established understanding of the agreements. And like all WTO agreements, the SPS & TBT take into account the capacity of

developing nations and envisage benefits from trade aid through technical assistance.

The major concerns of developing countries with regard to standards relate to the cost of complying with standards, lack of or the unsatisfactory involvement in standard setting influential organizations which made them standard takers, the private sector's standards which cannot be governed through the WTO legal framework as the later govern actions of governments, the human as well as institutional framework for becoming part of the dispute settlement process in case of infringements, the fear that anticipated technical assistance on the area of product standardization will not materialize or is insufficient, lack of harmonization of standards and WTO-transparency in implementing SPS & TBT.

Much is yet to be done to streamline attitudes of Ethiopian producers as well as consumers towards the significance of quality and standards for domestic and foreign markets. The organ with sole responsibility of Ethiopian standards is the QSAE. It is currently performing dozens of functions with view to improving the product standard in Ethiopia, but has its own limitations. The MOARD is also involved in the standard setting and implementing activity of plant and animals, and products from plants and animals.

Ethiopia's export market is predominantly agricultural. Different data and studies reveal that the export market for Ethiopia will be highly damaged if standards are not improved. This has also been a handicap in the pursuits of least developed countries to accede to the WTO. The willingness of WTO members to open markets depends highly upon on the quality of products to be imported into their markets. The accession process of Ethiopia will thus encounter problems in the negotiation process. The act of bringing domestic laws as well as infrastructure in conformity with the requirements in the WTO text is a task that is underway. However, such endeavors alone cannot

bring about the objectives sought by Ethiopia as long as product standards meet the demand and requirement of Ethiopia's export destinations.

The following are thus forwards as recommendations:

1. Ethiopia's products need to be in line with standard requirements of different importing nations not in anticipation of WTO accession, but as a matter of necessity. Efforts of an utmost nature are mandatory in this regard. This will be made possible with a variety of other tasks that need concerted efforts of producers, policy makers and regulatory organs.
2. The different governmental organs working on 'Ethiopian Standards' need to be in line with the current requirements. In view of the dynamism in technology, production processes and global trade standardizing bodies need to develop their capacities so as to meet the challenges of the time. It is the duty of these organs to search for what the export market is looking for in a product at least, on common standard terms. Ethiopia, as a primary exporter of agricultural products is faced with a challenge of number of different standards. Our standard setting bodies must thus be in a position to know and meet the wish of our products destinations.
3. The task of standard setting bodies is not confined to setting standards and assessing conformities. As SPS & TBT are not a matter of a single transaction, agricultural products for instance will encounter problems in export markets unless economic activities are not in line with set standards from their inception i.e. the soil they grow in, the fertilizer used, the temperature, and the way they are collected, packed, and transported. All these have a role in meeting set standards. In short, the work of standardization shall not be limited to controlling at the export stage but must emphasize on

preventive throughout the process of production, collection, packing, storage, transportation and export.

4. Different organs were involved in the standardization of Ethiopian products. Starting from the major organ QSAE, the MOARD, MOH & ECX are highly pertinent to 'product standards'. These governmental entities need to work in close coordination to develop a uniform approach regarding Ethiopia's standard policy. What is at stake is Ethiopia's survival in the international market which proves to be highly competitive. It can therefore be suggested that a committee which will be headed by the QSAE need to be established involving members from these different government organs with a main function of designing, following up and implementing product 'standards' in a manner beneficial to the nation.
5. The culture of involving the public in a governmental task is inadequate. This holds true regarding 'standards' too. The private-sector need to be brought on board and pursuits towards elevated quality and standards of products ought to be a national agenda through various dissemination and participatory mechanisms. The business community has ample experience about rejection incidences of export products and has a stake in product standards thereby making it easier to tap this opportunity. Organization of workshops /public forums etc. on the issue can indeed lead to higher levels of commitment and performance towards making 'product standards' a national agenda.
6. The bilateral trade agreements the country is highly involved need to keep up its momentum because it will have a positive pressure towards product standards, in addition to a similar pressure exerted by Ethiopia's efforts to join the WTO for market access. The state of the current export market as a result of certain preferential treatments

and our approach of searching markets with low standard requirements cannot ultimately be sustainable unless Ethiopia manages to penetrate the global competitive market. Yet our move towards WTO is highly motivated by need for a secured and better market access than market access alone. The goodwill of product standards that can be established, nurtured and enhanced in the bilateral international trade, markets obtained through preferential policies and regional trade with neighboring countries will indeed pave the way towards accession to the WTO and enhanced confidence of potential importers in the wider global market.

7. Ethiopia is represented in the major international standard organizations and is also a founding member of others. But the participation of the country as an influencing voice in these organs is yet to be enhanced. A change in this regard is mandatory. With all existing limitations, at least the representatives need to see to it that what is decided there and applied in the international trade regime does not harm or is in the interest of Ethiopia. The QSAE, as a representative of the government is expected to examine its capacity and work towards a more sound and beneficial role, especially because WTO accession envisages international standards dealing with 'product standards'.
8. Capacity-building in the QSAE and the accession-desk are matters of urgency. Working towards the development of institutional infrastructure and human expertise is indeed expedient. It is not with the mere aim of acceding to WTO, but with a long-term plan of becoming a beneficiary in global trade. Current efforts towards capacity building in building up expertise on the WTO legal regime are commendable. Meanwhile however, due attention is expected to

be given to actual achievements through a steady improvement in compliance with 'product standards' as required under SPS & TBT.

9. Working towards 'harmonization' and 'mutual recognition' of standards is also recommended as a means of reducing the cost of compliance which may result of duplicity of standards. It is through exercising the rightful membership of international organs as well as bilateral treaties that this can be effectively achieved.
10. Conformity with the WTO laws is a requirement to accession. It is recommended that the act of making all local laws in line with SPS & TBT requirements need to be done. The requirements stipulated in WTO texts are clear. What is required is working towards the coherence, refinement and organization to our scattered laws related with product standards. A task force can be formed to this end.
11. Government support to exporters involved in different sectors should take product standards and quality certification levels into account. In this regard, the act of formal recognition of such exporters by QSAE can be of much help. Moreover, efforts by the newly organized 'Ethiopian Quality Organization' can be pursued by others with a view to assuring quality and 'standards.'
12. WTO rules/requirements should not be perceived from a defeatist mindset but with an optimistic national strategy that can encourage elevation of product standards which is a prelude towards the opportunities anticipated through a very wide export market via WTO.
13. There is the need to develop a strategy of shifting Ethiopia's export products to other sectors so that heavy reliance on agriculture can be avoided. Due attention ought to be given to industrial and manufacture products that are not usually susceptible to the setbacks

of stiff product standards, because unlike food products, there are a spectrum of customers who tend to buy from tiers of standards when it comes to merchandise such as clothing.

14. Lastly, it is suggested that the accession team can negotiate a deal regarding standards by utilizing the already established fast-track and simplified LDC's accession process.

If so, it is strongly believed the words "*standard doesn't cost, it pays*" can indeed hold true for a country that has embraced a new development pact.

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