



TRADE POLICY · MARKET ACCESS · RULES -
BASED INTEGRATION

**YEARS IN
PROCESS**

23 · Feb 2003 to 2026

NEXT MILESTONE

7th Working Party · Apr 22-23

BILATERAL DEALS

7 concluded · 18 active

**QUESTIONS
ANSWERED**

1,050+ · 400+ laws notified

23 YEARS IN THE MAKING

Ethiopia's WTO Accession: What It Means for Business, Trade, and the Operating Environment

<p>Draft WP Report Working Party Status <i>Consolidation phase; Sep 2025</i></p>	<p>50% / 35% LDC Tariff Offer <i>Agricultural / industrial max bound</i></p>	<p>Progress noted MC14 (Yaoundé) <i>Membership not yet concluded</i></p>	<p>Closing LDC Window <i>Graduation risk if delayed beyond 2027</i></p>
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KEY INDICATORS AT A GLANCE

<p>23 Years in Accession Process <i>Feb 2003 to present</i></p>	<p>6 completed Working Party Meetings <i>7th: April 22-23, 2026, Geneva</i></p>	<p>1,050+ Questions Answered <i>400+ laws and policies notified</i></p>	<p>7 members Bilateral Deals Concluded <i>China, Turkey, Argentina, Russia, Brazil, Thailand, Japan</i></p>
<p>Max 50% Ag. Tariff Bound Rate Offer <i>Below LDC benchmark of 60%</i></p>	<p>Max 35% Industrial Bound Rate Offer <i>Below LDC benchmark of 40%</i></p>	<p>18 Active Bilateral Partners <i>Including USA, EU, India, Canada</i></p>	<p>30+ WTO Members Supporting <i>Including World Bank co-support</i></p>

01 WHERE THE PROCESS ACTUALLY STANDS

Not a Done Deal: The Honest Status Report as of April 2026

Ethiopia applied for WTO membership in February 2003. The Working Party was established ten days later. Twenty-three years on, the process has not concluded. But it has never been closer. The distinction between 'progressing toward membership' and 'concluded' matters for investors, importers, and businesses planning on WTO-era market conditions.

- ▶ **THE 23-YEAR TIMELINE** Ethiopia filed its accession application in February 2003, making it one of the longest-pending candidates. Progress stalled for years due to incomplete domestic legislative alignment, and then paused entirely from January 2020 to late 2024 due to COVID-19 and the civil conflict in Tigray. The resumption in late 2024 and the two Working Party meetings in 2025 represented the fastest substantive progress in the process's history.
- ▶ **WHAT MC14 (YAOUNDÉ, MARCH 2026) DELIVERED** The 14th WTO Ministerial Conference in Yaoundé, Cameroon on March 26-27, 2026 recognised Ethiopia's progress publicly and prominently. WTO Director-General Ngozi Okonjo-Iweala commended Ethiopia as 'one of the most dynamic accession candidates,' noting that advances over the past 12 months surpassed those of the previous two decades. The accession document was upgraded to a full Draft Working Party Report, marking the entry into the consolidation phase. However, formal membership was not concluded at MC14.
- ▶ **THE 7TH WORKING PARTY MEETING** The next formal milestone is the 7th Working Party Meeting, scheduled for April 22-23, 2026, in Geneva. Ethiopia confirmed readiness to resolve the remaining technical issues at a preparatory meeting with Working Party Chair Ambassador Rebecca Fisher-Lamb on the margins of MC14. Both sides described the outstanding issues as 'largely technical,' which is meaningful: it signals that the fundamental policy questions have been resolved and execution details remain.
- ▶ **DOCUMENT STATUS** Ethiopia has submitted over 1,050 responses to WTO member questions, notified more than 400 legislative and policy measures, and advanced its accession base document from 'Elements of a Draft Working Party Report' to a full 'Draft Working Party Report.' This progression is the technical milestone that precedes finalisation. It means Working Party members have accepted Ethiopia's submissions as a sufficient basis for concluding negotiations.
- ▶ **BILATERAL MARKET ACCESS** Seven bilateral market access agreements have been concluded: China, Turkey, Argentina, Russia, Brazil, Thailand, and Japan. Bilateral protocols remain open with 18 active negotiating partners, including the United States, European Union, India, and Canada. These bilaterals are the final set of country-to-country tariff commitments that Ethiopia must close before the Working Party Report can be adopted.



Ethiopia's WTO Accession: 23 Years in the Making | 2003-2026

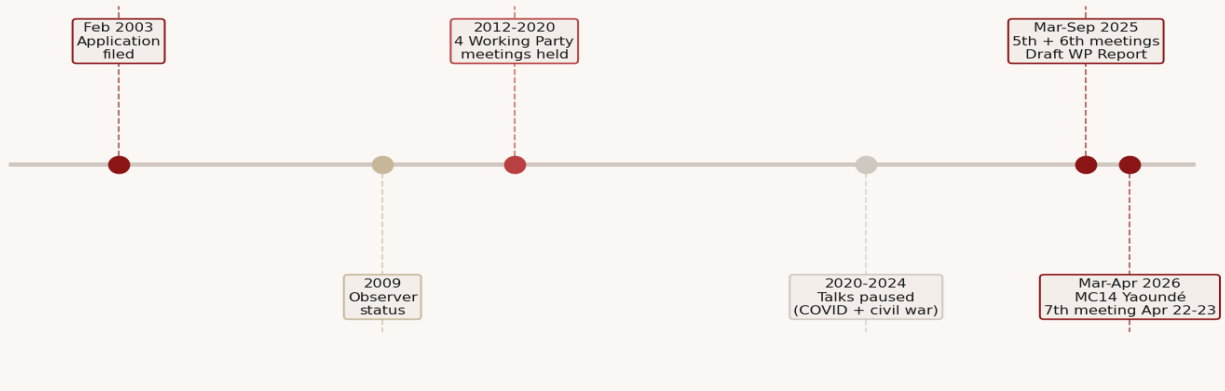


Figure 1: Ethiopia's WTO Accession Timeline | Sources: WTO.org, The Reporter Ethiopia, ENA, Addis Media Network (2003-2026)

02 WHY THE LDC WINDOW IS THE DEFINING URGENCY

The Clock Ethiopia Cannot Stop: LDC Graduation and the Negotiating Stakes

The urgency behind Ethiopia's accelerated negotiating pace since 2024 is not simply diplomatic ambition. It is structural. Ethiopia currently negotiates under the WTO's Least Developed Country guidelines, which grant significantly more favourable terms. If Ethiopia graduates from LDC status before accession concludes, it would be required to restart negotiations on substantially harder terms.

- ▶ **THE LDC ADVANTAGE** Under WTO LDC accession guidelines, Ethiopia can commit to maximum bound tariff rates of up to 50% on agricultural products and up to 35% on industrial goods. Ethiopia's current offer commits to rates below these benchmarks, which is already a concession. The average bound tariff across the 11 countries that acceded to the WTO immediately before Ethiopia stands at 22% for agriculture. Ethiopia's offer is commercially meaningful for trading partners while preserving significant domestic policy space.
- ▶ **THE GRADUATION RISK** Ethiopia's GDP growth rate, averaging above 7% annually since 2022, combined with improvements in gross national income per capita, puts the country on a trajectory toward LDC graduation. Chief Negotiator Minister Kassahun Gofe Balami stated explicitly at the March 2025 Working Party meeting: 'If we postpone the accession by two or three years, we will be out of the LDC list. This will cause immense problems. We would be starting the negotiations from scratch. All of the offers we submitted now would have to be revised.' This is not a rhetorical device. It is a real negotiating constraint that explains why Ethiopia has conducted two full Working Party cycles in a single year, a pace no accession candidate has matched.
- ▶ **WHAT THESE RATES MEAN IN PRACTICE** A 50% maximum bound agricultural tariff does not mean Ethiopia will apply a 50% tariff. Bound rates are ceilings, not applied rates. Current applied rates are substantially lower. But the ceiling matters: it gives Ethiopia the policy space to protect domestic agriculture from import surges during periods of price volatility, and to maintain flexibility in food security policy. For businesses exporting to Ethiopia, the practical implication is that applied tariffs are unlikely to increase significantly at accession, since Ethiopia's current applied rates are already below the bound levels it is committing to.

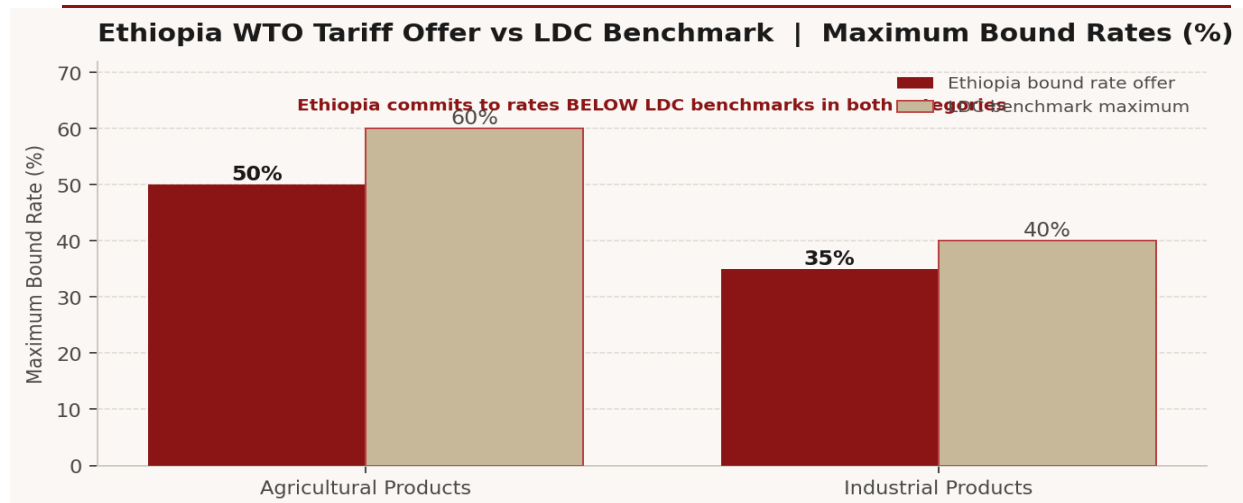


Figure 2: Ethiopia WTO Tariff Offer vs LDC Benchmark | Sources: WTO.org, The Reporter Ethiopia, Kassahun Gofe press briefing (Mar 2025)

03 WHAT MEMBERSHIP ACTUALLY OPENS: THE SECTOR-BY-SECTOR PICTURE

Beyond Tariffs: What WTO Accession Means for Services, Investment, and Trade Rules

Tariff schedules are the visible part of WTO accession. The more consequential changes for businesses operating in or trading with Ethiopia are in services liberalisation, intellectual property frameworks, customs procedures, and dispute settlement access. Ethiopia's revised services offer covers finance, communications, transportation, education, and tourism, areas that have historically been restricted.

- ▶ **FINANCE AND BANKING** Ethiopia's services offer includes commitments in financial services, complementing the domestic reform already enacted through Banking Business Proclamation No. 1360/2025, which opened banking to foreign participation for the first time in 50 years. WTO membership would lock these commitments into a multilateral framework, making reversal politically and legally more costly and giving foreign financial institutions greater regulatory predictability.
- ▶ **COMMUNICATIONS AND TELECOM** The telecom sector was liberalised domestically in 2019 (Communications Service Proclamation No. 1148/2019), enabling Safaricom's entry. WTO membership would bring Ethiopia's telecom regulatory framework under the Reference Paper on Basic Telecommunications, requiring regulatory independence, interconnection rights, and transparent licensing. This is material for the second private telecom licence expected in 2026 and the planned partial privatisation of Ethio Telecom.
- ▶ **INTELLECTUAL PROPERTY (TRIPS)** WTO membership obligates Ethiopia to implement the Agreement on Trade-Related Intellectual Property Rights (TRIPS). This requires strengthening patent protection, trademark enforcement, and copyright frameworks. Ethiopia's October 2024 Council of Ministers approval of accession to the Paris Convention and the Madrid Protocol for trademark registration is a direct preparatory step. For pharmaceutical, technology, and branded goods investors, TRIPS implementation closes a significant risk that has previously deterred market entry.
- ▶ **CUSTOMS AND TRADE FACILITATION** WTO membership brings obligations under the Trade Facilitation Agreement (TFA), which requires transparent customs procedures, pre-arrival processing, advance rulings, and expedited clearance for express shipments. For Ethiopia, whose logistics costs are among the highest in East Africa, TFA implementation represents a concrete operating environment improvement with direct impact on import and export competitiveness.
- ▶ **DISPUTE SETTLEMENT** Membership gives Ethiopia access to the WTO's Dispute Settlement Body (DSB), the mechanism through which trade disputes between members are resolved under binding rules. The suspension of Ethiopia's AGOA benefits in 2021, which disrupted thousands of jobs in Hawassa Industrial Park, illustrated the cost of operating without a multilateral rules-based mechanism



for challenging unilateral trade measures. WTO membership does not prevent preference suspension, but it provides a legal framework for challenging discriminatory treatment in goods and services trade.

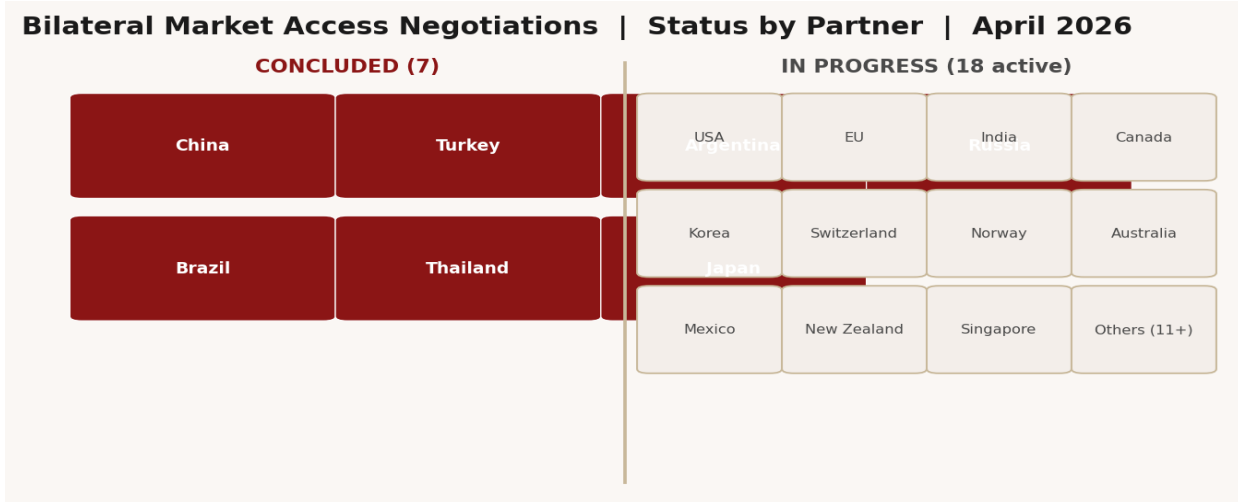


Figure 3: Bilateral Market Access Negotiations: Status by Partner | Sources: ENA, Fana Media, WTO.org, Ethiopia Permanent Mission Geneva (Mar 2026)

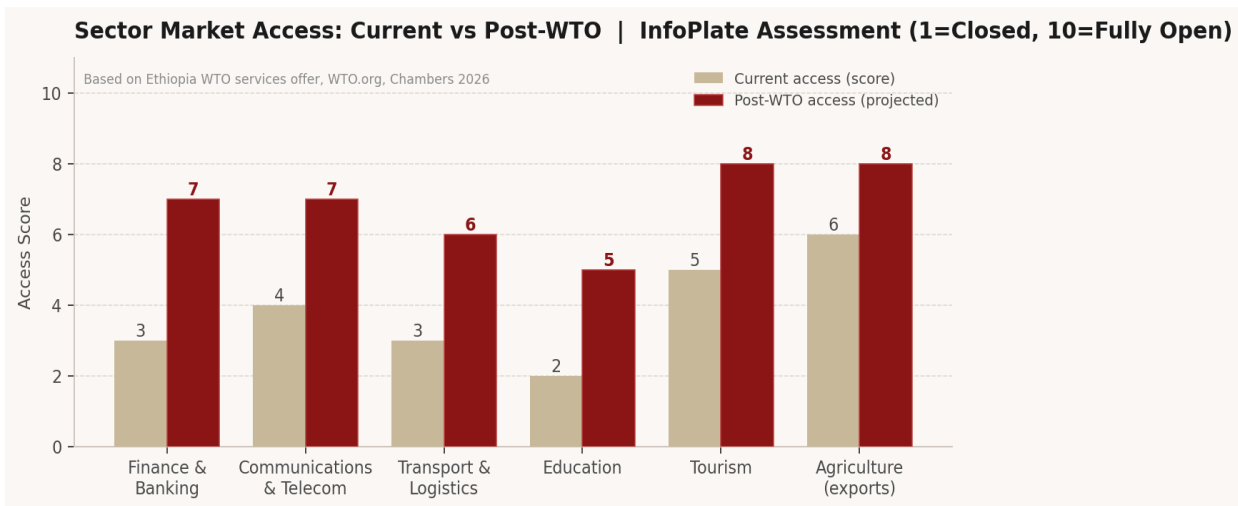


Figure 4: Sector Market Access: Current vs Post-WTO (InfoPlate Assessment) | Sources: WTO services offer, Chambers & Partners 2026, WTO.org

04 THE TRADE BALANCE CONTEXT: WHAT WTO CANNOT FIX

Rules-Based Access Is One Tool. The Supply-Side Gap Is Another.

WTO membership provides predictability, dispute resolution, and market access commitments. It does not address the structural challenge that Ethiopian exports per capita remain among the lowest in Sub-Saharan Africa, or that the trade deficit has persisted at approximately \$10-12 billion annually despite strong export growth in recent years. Understanding this distinction is essential for businesses assessing what accession actually changes.

- ▶ **THE TRADE GAP** Ethiopia's merchandise exports reached \$5.6 billion in FY2024/25 and an annualised estimate of approximately \$10 billion based on H1 FY2025/26 results (reflecting the gold and coffee surge). Imports have remained broadly stable at \$13-15 billion annually. The resulting trade deficit, financed by remittances, FDI, and concessional debt, is a structural feature of the economy, not a policy failure. WTO membership addresses the rules framework for that trade, not the underlying supply capacity.



- ▶ **THE SUPPLY-SIDE CONSTRAINT** One senior Ethiopian economist quoted in the Ethiopian Business Review makes the structural argument directly: Ethiopia's challenges are not primarily in market access but in supply. Major markets such as the EU, US, and China already offer preference access through AGOA, DCTS, and bilateral arrangements. The binding constraint is the ability to produce exportable goods at competitive quality and scale. WTO membership does not manufacture cotton, train textile workers, or build cold chain infrastructure for cut flowers.
- ▶ **WHAT ACCESSION DOES ADDRESS** For businesses already trading with Ethiopia, WTO membership offers three concrete improvements. First, tariff predictability: bound rates create a ceiling that applied rates cannot exceed, reducing the policy risk of sudden tariff escalation. Second, non-tariff barrier disciplines: WTO rules on import licensing, customs valuation, technical standards, and sanitary measures reduce the scope for administrative trade barriers. Third, investment climate: WTO membership signals regulatory commitment and reform anchoring in a way that bilateral agreements do not replicate at scale.
- ▶ **THE AFCFTA COMPLEMENTARITY** Ethiopia ratified the African Continental Free Trade Area in March 2019. The AfCFTA creates a 1.4-billion-person market with preferential tariff access as tariff schedules are phased in. WTO membership and AfCFTA are complementary, not competing: WTO disciplines the multilateral rules framework while AfCFTA creates the regional market within which Ethiopian producers can build scale before competing globally. The IFA notes that AfCFTA also provides Ethiopia with collective African leverage in WTO negotiations, a platform for coordinated positions on issues such as agricultural subsidies and digital trade.

THE CRITICAL QUESTION FOR INVESTORS

The question worth asking is not 'will Ethiopia join the WTO?' That outcome appears likely in 2026, with the 7th Working Party Meeting on April 22-23 the next formal step. The question is: what changes operationally in the 12-18 months after accession? For importers: bound tariff ceilings reduce uncertainty. For exporters to Ethiopia: customs procedures improve under TFA obligations. For investors: the regulatory framework becomes harder to reverse and easier to enforce internationally. For Ethiopian exporters: preference access under AGOA and DCTS already provides market access to major economies. WTO adds the dispute settlement mechanism and a multilateral identity. It does not immediately solve the supply capacity gap.

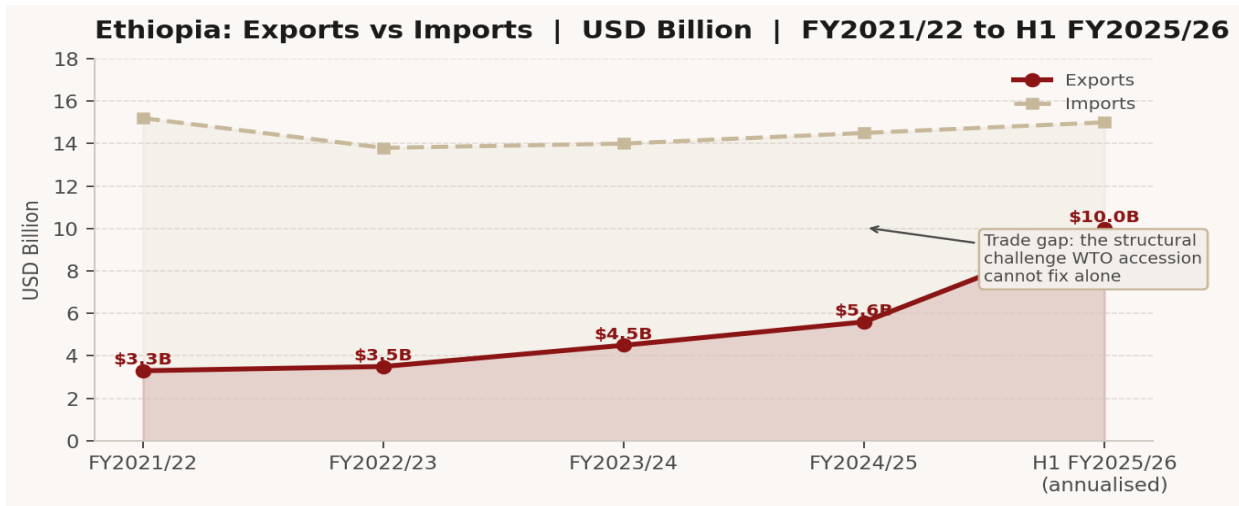


Figure 5: Ethiopia Exports vs Imports | Sources: NBE, EIC, UNDP Quarterly Profile, ENA (2021-2026)

05 THE RISK THAT MEMBERSHIP CANNOT ELIMINATE

Entering with Eyes Open: The Policy Space Question



Capital Ethiopia's April 2026 editorial on WTO accession carried a pointed warning: 'WTO rules are not neutral. They reflect a global economic order shaped by unequal levels of development.' That tension is real and worth taking seriously as Ethiopia finalises its accession terms.

- ▶ **INFANT INDUSTRY EXPOSURE** WTO membership, by committing to bound tariff ceilings and limiting the use of import quotas and export subsidies, narrows the policy toolkit available to protect domestic industries at early stages of development. Ethiopian manufacturers in textiles, pharmaceuticals, and agro-processing are still building capacity. The question is whether Ethiopia's tariff commitments, which are below LDC benchmarks but still relatively open by global standards, leave sufficient protection for industries that have not yet reached competitive scale.
- ▶ **THE TIMING PARADOX** The WTO itself is in institutional difficulty. Its Appellate Body, the dispute settlement mechanism that gives rulings legal force, has been inoperative since 2019 due to US blocking of judicial appointments. Major powers increasingly use bilateral leverage rather than multilateral rules. Ethiopia is joining a rules-based system at a moment when the largest members are systematically eroding those rules. The value of the dispute settlement mechanism, one of the most concrete benefits of membership, is currently limited by this dysfunction.
- ▶ **WHAT ETHIOPIA IS NEGOTIATING FOR** Ethiopia's negotiating team has consistently emphasised 'substantively meaningful terms.' This phrase, used by Chief Negotiator Minister Kassahun at multiple briefings, signals a deliberate effort to preserve policy flexibility. The LDC tariff benchmarks, the services liberalisation schedule that phases in opening over time rather than immediately, and the capacity-building obligations Ethiopia has requested from trading partners are all instruments for managing the transition. The outcome of the April 22-23 7th Working Party Meeting will indicate whether the remaining technical gaps can be resolved within this framework.
- ▶ **THE BOTTOM LINE FOR BUSINESSES** WTO membership is coming. The 7th Working Party Meeting on April 22-23 is the next formal step toward concluding the Working Party Report. Once concluded, ratification by Ethiopia's parliament and formal admission by the WTO General Council or Ministerial Conference follow. The realistic timeline for full membership is H2 2026. For businesses, the practical changes in the immediate term are: greater regulatory predictability, TRIPS-aligned intellectual property enforcement, customs procedure improvements under TFA, and a formal multilateral dispute mechanism. The trade balance challenge, the supply capacity gap, and the cost competitiveness of Ethiopian exports require separate, longer-term interventions that WTO membership alone cannot deliver.

EDITOR'S OUTLOOK

THE BOTTOM LINE

Twenty-three years is a long time to wait for anything. The fact that Ethiopia's WTO accession has reached the Draft Working Party Report stage in 2026, after decades of stalled negotiations and a four-year pause for war and pandemic, is a genuine institutional achievement. The pace of progress in 2025 and early 2026 reflects both the urgency of the LDC graduation deadline and the credibility that Ethiopia's 2024 economic reforms gave to its liberalisation commitments in the eyes of trading partners.

The 7th Working Party Meeting on April 22-23, 2026 is the brief's live news hook. If the remaining technical issues are resolved there, the path to a concluded Working Party Report and formal WTO membership in H2 2026 is clear. What that membership delivers is not a transformation of Ethiopia's trade position. It is a rules-based anchor for reforms already enacted, a dispute mechanism for trade conflicts, a ceiling on tariff unpredictability, and a signal to investors that the reform agenda has multilateral backing. For a country that has spent the past eight years dismantling protectionist structures and opening sectors that were closed for decades, the WTO accession is the institutional confirmation of that trajectory, not the beginning of it.



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Sources: WTO.org (Accession Status, Working Party Reports, DG Speech Apr 2025), The Reporter Ethiopia, ENA, Fana Media Corporation, Addis Media Network, Ethiopian Business Review, Capital Ethiopia (Apr 2026), IFA Ethiopia, Chambers & Partners Investing In Ethiopia 2026, UK Government Doing Business in Ethiopia (Jan 2025), UNDP Quarterly Economic Profile (Mar 2026), Africa.com (Apr 2026) | Published April 14, 2026