



ALGERIA'S COMMITMENTS UNDER WTO AGREEMENTS AND THEIR IMPACT ON NATIONAL POLICIES

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Abstract:

In light of the rapid transformations shaping the global economic system, the World Trade Organization (WTO) has become the most significant framework for regulating trade exchanges between countries, through a set of binding rules and agreements. Within this context, Algeria has for years sought to join this organization, recognizing the importance of integration into the international economy and openness to multilateral partnerships. However, this process has not merely been a diplomatic or administrative step; it has required Algeria to enter into complex negotiations and undertake deep reforms affecting several aspects of its national policies. The country has found itself needing to reconcile the WTO's requirements with its national interests, particularly in terms of protecting the local economy and ensuring sustainable development.

key words: The World Trade Organization; negotiations, national policies.

Introduction:

Since the end of the 20th century, the world has witnessed profound changes in the structure of international economic relations, marked by accelerated globalization and the consolidation of free trade and competition principles. The WTO emerged as an institutional tool to guide this dynamic,

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establishing binding rules for member states to regulate trade exchanges based on transparency and fairness.

In this context, Algeria has sought since the late 1980s to integrate into this system through accession negotiations with the WTO—a step that reflects its desire to reform its economy and open up to global markets. However, this potential accession comes with challenges, as it imposes legal and economic commitments that could impact the state's freedom to shape national policies, particularly in areas such as subsidies, foreign trade, and support for local industry.

From this background emerges the following core research question:

To what extent do Algeria's commitments under the WTO affect its economic sovereignty and its ability to control its development choices?

This central question leads to several sub-questions regarding the nature of these commitments, their impact on national laws and institutions, and the limits of benefits or constraints that might arise from the expected accession.

To address this problem, we will explore the topic through the following axes:

SECTION I :The World Trade Organization: Origin, Concept, Objectives, and Functions

First Requirement:Origin:

The WTO is the result of a long evolution in international economic relations since the end of World War II. It began with the General Agreement on Tariffs and Trade (GATT) in 1947, aimed at reducing tariff barriers and regulating trade among countries. Over time, it became evident that GATT, despite its importance, was insufficient to address the new complexities of global trade. This led to the need for a more comprehensive and effective institutional framework. Consequently, the WTO was officially established in 1995 following the conclusion of the Uruguay Round negotiations. It replaced GATT and expanded



the scope of trade regulation to include new areas such as services and intellectual property rights.

Second Requirement: Concept:

The WTO can be defined as a legal and institutional framework for the multilateral trading system. It provides the basic contractual obligations that determine how governments can implement domestic trade laws and regulations. The organization also serves as a forum for promoting trade relations among countries through negotiations, discussions, and dispute settlement mechanisms (Addoun, 1998 ,p49).

Its primary goal is to establish a more equitable and open global trading system by ensuring the free flow of trade with minimal obstacles, promoting transparency in trade policies, and resolving disputes through legal mechanisms. The WTO also aims to integrate developing countries into the global trading system by offering preferential advantages and encouraging economic reforms that support international economic growth and stability.

Third Requirement :Objectives:

The WTO was established to achieve several key objectives, summarized as follows:

- Liberalize international trade and establish rules to create a fairer, more open trade system.
- Eliminate barriers that hinder trade liberalization.
- Provide a conducive international environment for fair competition.
- Work toward achieving full employment in member states, highlighting the WTO's social dimension in coordination with the International Labour Organization (ILO).
- Settle disputes through the WTO's Dispute Settlement Body.
- Make efforts to ensure that developing countries obtain a substantial share of the growth in international trade.
- Promote optimal use of the world's resources while ensuring sustainable development and environmental

protection—areas where the WTO has collaborated extensively with international environmental organizations (Bekanniche, 2006,p92).

Fourth Require :Functions of the World Trade Organization:

1. Supervising the implementation and monitoring of trade agreements resulting from the Uruguay Round.
2. Providing a platform for regular trade negotiations and ensuring effective implementation of their outcomes.
3. Overseeing the settlement of disputes related to trade agreements.
4. Conducting periodic reviews of member countries' trade policies.
5. Collaborating with specialized international organizations, particularly the International Monetary Fund (IMF) and the World Bank (Hachad, 1996,p135).

SECTION II: Algeria's Accession to the WTO – Negotiation Context and Procedures

According to Article 12 of the WTO Agreement, membership is open to any state or customs territory. Joining the WTO allows countries to benefit from the advantages and opportunities the organization provides. However, gaining membership also requires undertaking national reforms to meet the conditions imposed on members. This explains why many developing countries have sought WTO accession, although they have faced and continue to face numerous obstacles and difficulties.

First Requirement: Negotiation Context and Procedures

Paragraph1:Stages of Algeria's Accession to the WTO

Algeria's accession to the WTO has been a long and complex negotiation process spanning several decades without reaching completion. This process has gone through several successive stages, reflecting shifts in Algeria's economic policy and the complexities of the multilateral trade system.



Paragraph2 :Beginning of the Process: Submission of Application

Algeria took its first step toward accession in the late 1980s by submitting a formal request to join the General Agreement on Tariffs and Trade (GATT), the precursor to the WTO. This application expressed Algeria's willingness to open its economy to the world after a period of socialist orientation.

Paragraph3 :Observer Status

Shortly after submitting the application, Algeria obtained "Observer" status, allowing it to attend meetings without participating in decision-making. This status enabled Algeria to familiarize itself with the organization's mechanisms and prepare its negotiation file.

Paragraph 4:Establishment of Algeria's Working Party

With the official creation of the WTO in 1995, a dedicated working party was established to oversee Algeria's accession—a standard procedure for any aspiring member state. This group was tasked with managing the technical and negotiation aspects of Algeria's application.

Paragraph5: Preparation of the Trade Policy Memorandum

As a pivotal stage, Algeria submitted a comprehensive document known as the Trade Policy Memorandum, which provided a detailed explanation of its national economic and trade system, applicable legislation, and adopted reforms. This document constitutes the primary reference for dialogue between Algeria and WTO members.

Paragraph6: Launch of Bilateral and Multilateral Negotiations

Following this, Algeria initiated a series of negotiations with several member states concerning market access and tariff reductions, as well as commitments in sectors such as services and intellectual property. Technical discussions were also held on the compatibility of Algeria's national legislation with WTO rules.

Paragraph 7: Harmonizing the National Legal Framework

In response to accession requirements, Algeria began amending key laws, such as the Customs Code, Competition Law, and Investment Law. These amendments aimed to align Algeria's legal framework with the standards imposed on WTO members.

Paragraph 8: Stalled yet Ongoing Negotiations

Despite the many years since the process began, Algeria's accession file remains under negotiation and has not yet been finalized. This delay is due to technical complexities, differences in perspectives, and Algeria's reservations regarding some commitments that may impact its economic and social security.

Algeria's path toward WTO accession shows that it is not merely a technical process but a sovereign decision tied to the country's economic and social orientations. Despite gradual openness, Algeria remains cautious about the accession requirements, keeping the file open for the foreseeable future.

Second Requirement: Obstacles Facing the Accession Process

Despite decades having passed since Algeria began its WTO accession process, the file still faces significant delays, making it one of the longest accession processes in the organization's history. These delays are attributed to overlapping economic, legal, and political challenges.

Among the most significant obstacles is Algeria's hesitation to accept certain core commitments that may be imposed upon accession—especially those concerning market liberalization and reducing public support for sensitive sectors such as agriculture and energy. Algeria relies on social policies to protect vulnerable groups and believes that such commitments could limit its ability to provide subsidies or enforce protective measures.

Additionally, Algeria's structurally weak economy—heavily dependent on oil revenues—makes it difficult to compete with foreign products in the absence of prior market preparation.



This raises fears of market flooding and the weakening of emerging national industries.

The legislative dimension also poses challenges, as accession requires the alignment of numerous national laws with WTO rules in complex areas like intellectual property, competition, investment, banking, and public procurement. These changes may face resistance from domestic stakeholders due to their perceived impact on national economic sovereignty.

The political dimension cannot be overlooked either, as some trade partners have demanded additional concessions beyond what is required of other states—perceived at times as disproportionate or even diplomatic pressure.

Hence, Algeria's WTO accession is not only facing technical barriers but is also shaped by internal and external balances, making it a complex strategic decision that requires caution and gradualism.

SECTION III :Algeria's Anticipated Core Commitments

Algeria's accession to the WTO does not come without cost. It entails a series of fundamental commitments that affect the country's economic, legal, and institutional structures. These obligations are based on the WTO's general principles aimed at trade liberalization, transparency, and open competition among countries.

First Requirement: Transparency and Liberalization of Trade Exchanges

At the forefront of these commitments is the liberalization of foreign trade (**Law No. 04-02, 2004**), which means Algeria would be required to reduce tariffs and limit quantitative restrictions on imported goods and services. This also includes opening the domestic market to foreign products under the principle of national treatment and non-discrimination, which may limit the state's ability to protect local industries.

Additionally, Algeria would be required to establish or strengthen national regulatory bodies—such as competition authorities, customs agencies, and consumer protection offices—

to ensure proper enforcement of WTO rules and foster a competitive and transparent environment.

Another major commitment is participation in the WTO dispute settlement mechanism. This would obligate Algeria to resolve trade disputes with other member states through the WTO's legal channels, reducing the state's unilateral ability to defend its economic interests.

Second Requirement: Reduction of Agricultural Subsidies

The WTO requires member states to regulate public subsidies granted to specific economic sectors, particularly agriculture. Consequently, Algeria may have to revise its social and economic support policies, potentially leading to social tensions given the rentier and protectionist nature of its economy.

Third Requirement: Opening Markets to Foreign Competition

Opening markets to foreign competition is one of the most significant commitments imposed by the WTO on aspiring members (**Ordinance No. 03-03 , 2003**). This means that Algeria would be required to allow foreign goods and services into its domestic market on a non-discriminatory basis, treating them the same as national products. This also involves reducing tariffs to negotiated levels and removing administrative or technical barriers that might hinder the entry of goods or foreign investors (**the Customs Law No. 98-10 , 2005**).

For Algeria, this poses a serious challenge, as many of its economic sectors are still underdeveloped and suffer from low competitiveness. A fully open market may expose local products to unfair competition from more advanced and experienced foreign companies, potentially weakening or eliminating national industries.

Moreover, market opening is not limited to industrial products—it also applies to sensitive sectors such as financial services, telecommunications, transport, and education. Algeria, upon accession, would have to negotiate liberalization rates in each of these sectors, but it would ultimately be required to



provide equal opportunities for foreign investors in accordance with WTO rules (**Law No. 16-09, 2016**) (**Law No. 22-18**).

Although this openness could create opportunities to attract foreign investment and expand trade, it also threatens unprepared national enterprises. Therefore, transitional and protective strategies are needed to ensure a balance between honoring international commitments and protecting the local economic fabric.

Fourth Requirement: Commitment to the TRIPS Agreement

Algeria would also be expected to commit to WTO-related agreements such as the Trade-Related Aspects of Intellectual Property Rights (TRIPS) (**Law No. 03-07,2003**). This would require Algeria to tighten protection of trademarks, patents, and copyrights, necessitating amendments to national laws in line with international standards. Such commitments could affect technology transfer and the production of generic medicines.

Fifth Requirement: Elimination of Trade Monopolies and Quantitative Restrictions

Eliminating trade monopolies and quantitative restrictions is a core requirement of WTO accession. This involves ending preferential treatment granted to certain public or private entities that monopolize the import or export of goods or control their distribution.

In Algeria's case, this requirement calls for reducing the state's role as a direct trade actor. Previously, some state-owned enterprises had exclusive rights over sensitive imports and exports (such as cereals, fuel, and pharmaceuticals). Under WTO rules, such practices violate the principle of equal treatment for all economic operators—both domestic and foreign.

Quantitative restrictions, including quotas, licenses, or seasonal bans on imports/exports, are also inconsistent with WTO principles, as they hinder free trade. As part of the accession process, Algeria would be required to eliminate these restrictions or convert them into transparent and negotiable tariffs.

While lifting such barriers could improve the business climate and attract investors, it raises concerns about the state's ability to manage markets or protect vulnerable sectors. Thus, Algeria must adopt accompanying policies that safeguard food and industrial security while building a competitive economy free from monopolies or excessive protection.

Overall, these commitments represent a fundamental transformation in the way the state intervenes in the economy and require the reordering of policies to comply with a global trade system rooted in competition and openness.

Conclusion

The study of Algeria's commitments under the WTO framework reveals that the country had to reconsider many of its economic and trade policies to align with principles of openness, transparency, and competition. The accession process is not merely an economic choice but entails deep reforms affecting legislative and institutional dimensions.

While these commitments may enhance Algeria's international image and improve the business environment, they raise critical questions about the national economy's ability to withstand foreign competition and maintain social balance and local development.

The main challenge lies not only in implementing the commitments but also in formulating a comprehensive national strategy that safeguards the state's strategic interests without violating the principles of the multilateral trade system.

Key Challenges Facing Algeria's Accession to the WTO:

- Weak competitiveness of the national economy
- Fears of market flooding by foreign products
- The opportunity to develop new export avenues, especially beyond hydrocarbons
- Algeria's accession poses sovereign, legislative, and economic challenges



Recommendations:

- Support the transition toward a competitive economy
- Develop a legal strategy to accompany the accession
- Strengthen institutional frameworks for monitoring compliance
- Adopt a balanced negotiation approach that reconciles accession conditions with the protection of sensitive sectors
- Support local productive sectors (agriculture, SMEs) to enhance their competitiveness
- Improve the business and investment climate by simplifying administrative procedures and stabilizing the legal framework
- Empower national expertise in international trade law and negotiations to ensure effective representation and application of agreements
- Establish social policies to mitigate the impact of economic liberalization on vulnerable groups
- Promote participatory policymaking by involving universities, business associations, labor unions, and civil society
- Develop monitoring and evaluation mechanisms through an independent body to assess Algeria's compliance and track the impact of accession.
- Leverage preferential benefits of WTO membership to improve market access and expand economic partnerships

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