

## **President of the Arab Society for Intellectual Property Speaks..**

Ever since the inception of the World Trade Organization (WTO), talk on its role as the world police of the economic world has not stopped.

"Nisf Al-Dunia" interviewed Mr. Talal Abu-Ghazaleh, President of the Arab Society for Intellectual Property (ASIP) on the current role of the WTO, the current US-China conflict regarding China's acceptance into the Organization, the position of the Arab countries within the Organization, the importance of WTO membership and the negative impacts of not joining it.

*What is the position of the Arab countries in relation to the World Trade Organization (WTO)?*

- The Arab countries that have joined the WTO are nine and they include Egypt, Kuwait, the United Arab Emirates (UAE), Bahrain, Qatar, Morocco, Mauritania, Djibouti and Tunisia.

*This means that there are 13 countries that have not joined the Organisation yet?*

- Currently, five countries are undergoing negotiations for membership and those include Saudi Arabia, Lebanon, Jordan, Sudan and Algeria. The rest of the eight countries never originally intervened in the negotiation phase.

*Are there any negative impacts for not joining the WTO?*

- Arab countries no longer have an option but to join the Organization since nowadays they can either choose to advance into developed countries under the Organization, or become backward countries - not even developing ones - in the event that they chose not to.

*What are the losses that could result from not joining the WTO?*

- I would like to quote a famous saying by Oman's Minister of Trade who once said: "Joining the WTO is a crime; and not joining it is even a greater crime." In my area of expertise, I also say that not joining is a disaster.

*What is the disaster that can result from not joining the WTO?*

- Not joining will exclude a country from the global trade's playfield, and whether or not it is a member, it is committed to the WTO's agreements; anyways, because the number of WTO members have reached 132, most of whom include world players, with the exception of China and Russia, and if that country prohibits dealership with WTO members, then with who exactly will it deal with?

*Why hasn't China joined the WTO yet?*

- Because the United States and Europe are placing obstacles for its membership.

*What is the secret behind that?*

- The US expects China to become the biggest economic power in the year 2020 leaving it a little concerned, which is why it has been placing obstacles in front of China in order guarantee its trade relations.

*Can the US do that within the framework of the WTO?*

- America puts what you can call 'additional conditions' which applies on all those who wish to join.

*Why would China object if it is willing to join?*

- China has agreed to those conditions but asked if it would be able to apply them according to a personal timetable in order to avoid an economic disaster; the negotiating countries, however, rejected the proposal, stating that China could not have a different timetable to other countries.

*Does this rejection mean that no other country can ask for personal advantages?*

- Any non-member country has the right to demand whatever it wants; however, at the end of the day, it is down to its negotiation methods and ability to convince the other party with its point of view. This is why it is important for Arab countries to be present at all WTO negotiations and not just the ones that concern them.

*Do you believe that China's membership will be accepted in the next round of negotiation?*

- I don't believe this will happen and I can see the US rejecting China's membership unless a bilateral agreement was struck between both countries and the US was in dire need of China's support in an international case; only then will the US make some compromises and accept China's membership.

*What countries does the negotiating team comprise of?*

- All member countries have the right to be involved in the negotiating team; however, in reality only a small number of them with an interest join.

*What is the reason behind the WTO's rejection of Russia's membership?*

- At the beginning of the negotiation rounds, the Russian economy was collapsing, which made Russia unable to enter the agreement.

*But the decision to launch the WTO was taken in 1947?*

- True. The decision was indeed taken in 1947 after the end of the Second World War whereby it was decided that three organizations were to be launched, namely: The World Bank, The International Monetary Fund (IMF) and the WTO; however the WTO was established 50 years since the decision was taken.

*Why was its establishment delayed for nearly half a century?*

- Because of the US Congress which agreed on the establishment of both the World Bank and IMF but rejected the establishment of the WTO.

*How is the Congress related to the Organization?*

- At the time, the US president refused to issue an authorization for the establishment of the Organization. For the record, a US president is able to declare war on Russia and China for example but is unable to sign a trade agreement with Tanzania without the approval of the Congress since the first item of the US constitution states that foreign trade is the specialty of the Congress.

*What is the significance of this?*

- The strength of any country lies in its trade and that was the long-term view of the founding fathers of the US where they realized the strength of a country in its foreign trade and hence its economy. This is why they did not leave those types of decision in the hands of an individual but in the hands of the Congress.

*What is required from the Arab countries to take advantage from its membership to the WTO?*

- What is required is for every Arab country to have a device that is specialized in the WTO and there are international organizations that are ready to fund such devices. At this point, we have to pay attention to the fact that the WTO agreement is not a fixed one nor is it unified or written; it is a continuous process and conditions change constantly.

*In your opinion why was the membership of some Arab countries delayed?*

- For several reasons. For example the situation in Jordan is very difficult as it is being asked to undergo great procedures in light of its limited resources, particularly in what is related to lowering its taxes which comprise the main income source of the country.

*What about Saudi Arabia?*

- Saudi Arabia is a special case being the home of the Holy Kaba; it is difficult to apply all the organization's stipulations, particularly those relating to entertainment and the media. Therefore negotiations seem very difficult at this point.

*Are there any exceptions to a country's membership?*

- All the principles stipulated in the agreements are temporary and subject to amendment.

*This means that those who don't fully agree with the principles now may agree in the future?*

- Yes.

*What is the reason behind the absence of Lebanon in the WTO?*

- The 18-year civil war in Lebanon is to blame. I believe that the problem of getting out of war and going through a reconstruction period puts great pressure on the Lebanese state making it very difficult for it to fulfill the membership conditions. Therefore, I do not blame the Lebanese negotiator for prioritizing reconstruction.

*What is the difference between the WTO and the General Agreement on Tariffs and Trade (GATT)?*

- The GATT was an agreement on goods, then in the last two rounds, services were added when the dominant countries realized

the importance of services. Many people think that trade and industry are the most important sectors in the economy when in fact the service sector is.

*What is meant by services trade?*

- Services were broken down to several sectors however priority was given to five of them which include financial services - those include banks, investment companies, insurance, communications, information systems and professional services - accounting services, medical and health services. The fifth agreement was on labor mobility. Up to now, four of the categories have been completed.

*Why?*

Because it is within the interest of developed countries to liberalize those sectors since they enjoy complete domination over them.

*How?*

11% of the world trade is now in the field of information systems which enjoys a sizeable market share.

*What is the share of the Arab Region?*

Unfortunately nil, because Arab countries do not have the necessary means for information systems.

*This means the developed countries are the main beneficiary of the WTO?*

The problem is that developed countries want to implement certain standards on developing countries.

*You mean e-commerce?*

We are in dire need for wiping out computer illiteracy because an illiterate nowadays is someone who cannot deal with a computer.

For example Hong Kong decided that within 5 years, each house will have internet access and users. Furthermore, 30% of women's purchases in the US are made on the internet. The role of the postman in America has come to an end ... the internet has discovered a foundation to develop e-commerce.

*Many people say that car customs will drop dramatically?*

This will indeed happen; there is an agreement between Egypt and the WTO on a timetable to reduce customs on cars.