Assessment of the New Ethiopian Investment Law in Light of Ethiopia’s Accession to the WTO: The Case of the Air Transport Sector

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Abstract: The WTO, although it excludes air transportation in general, it includes some sub-services (MRO, the selling and marketing of air transport services and CRS) in its Annex on Air Transport Services (AATS). To clarify the exact scope of the AATS, the AATS reviewed twice though it is not successful yet. Ethiopia formally requested WTO accession in January 2003, though the accession process was stagnant for years until it resumed in June 2019. Be that as it may, the Ethiopian New Investment Law made some changes, including a partial liberalization of the international and domestic air transport services. However, the travel agency, travel ticket sales and maintenance repair and overhaul (MRO) are reserved for domestic investors. To this end, the author has assessed the new investment law considering Ethiopia’s WTO accession using qualitative and descriptive methods. In contrast to the AATS, the New Investment Law is as restrictive as the previous Ethiopian investment law though it partly liberalized the major service of air transport. Thus, the author concluded that the air transportation under the New Investment Law could be a challenging issue to Ethiopia’s negotiation team to the WTO. Finally, the Author provided some recommendations to be taken by the Ethiopian negotiation team, Ethiopian legislation, and the WTO.

Keywords: World trade organization (WTO), accession, Ethiopia, investment law, liberalization, air transportation

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