

WORLD TRADE ORGANIZATION

Intergovernmental organisation which regulates the international trade

- Officially commenced on 1st Jan 1995 under the Marrakesh Agreement
- Signed by 123 nations in 1994
- WTO had replaced GATT (General agreement on tariffs and trade)
- They deal with: agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property and much more.

WTO: THE BEGINNINGS

- The World Trade Organization (WTO) came into being on January 1st 1995.
- It extended GATT in two major ways. First GATT became only one of the three major trade agreements that went into the WTO
- Second the WTO was put on a much sounder institutional footing than GATT

FACT FILE OF WTO

- Location - Geneva, Switzerland
- Established - 1 January 1995
- Created by - Uruguay Round negotiations (1986-94)
- Membership - 162 countries since 30 November 2015
- Head - Roberto Azevêdo (Director-General)
- Secretariat staff - 625

objectives and functions!

The Uruguay round of GATT (1986-93) gave birth to World Trade Organization. The members of GATT signed an agreement of Uruguay round in April 1994 in Morocco for establishing a new organization named WTO.

ADVERTISEMENTS:

It was officially constituted on January 1, 1995 which took the place of GATT as an effective formal, organization. GATT was an informal organization which regulated world trade since 1948.

Contrary to the temporary nature of GATT, WTO is a permanent organization which has been established on the basis of an international treaty approved by participating countries. It achieved the international status like IMF and IBRD, but it is not an agency of the United Nations Organization (UNO).

Structure:


The WTO has nearly 153 members accounting for over 97% of world trade. Around 30 others are negotiating membership. Decisions are made by the entire membership. This is typically by consensus.

A majority vote is also possible but it has never been used in the WTO and was extremely rare under the WTO's predecessor, GATT. The WTO's agreements have been ratified in all members' parliaments.

WHY WTO?

- To arrange the implementation, **administration and operations of trade agreements**
- Settlement of **disputes**
- Trade relations in **issues deal with under the agreements.**
- To provide a **framework for implementing** of the results arising out of the deliberations which taken place at ministerial conference level.
- To manage **effectively and efficiency the trade policy** review mechanism (TRIM).
- To create more **together relationship** with all nations in respect of global economic

FUNCTIONS OF WTO

- Administering WTO trade agreements
 - Forum for trade negotiations
 - Handling trade disputes
 - Monitoring national trade policies
 - Technical assistance and training for developing countries
 - Cooperation with other international organizations
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PRINCIPLES OF WTO

The basic principles of the WTO (according to the WTO):

- **Trade Without Discrimination**

1. Most Favoured Nation (MFN): treating other people equally
2. National treatment: Treating foreigners and locals equally

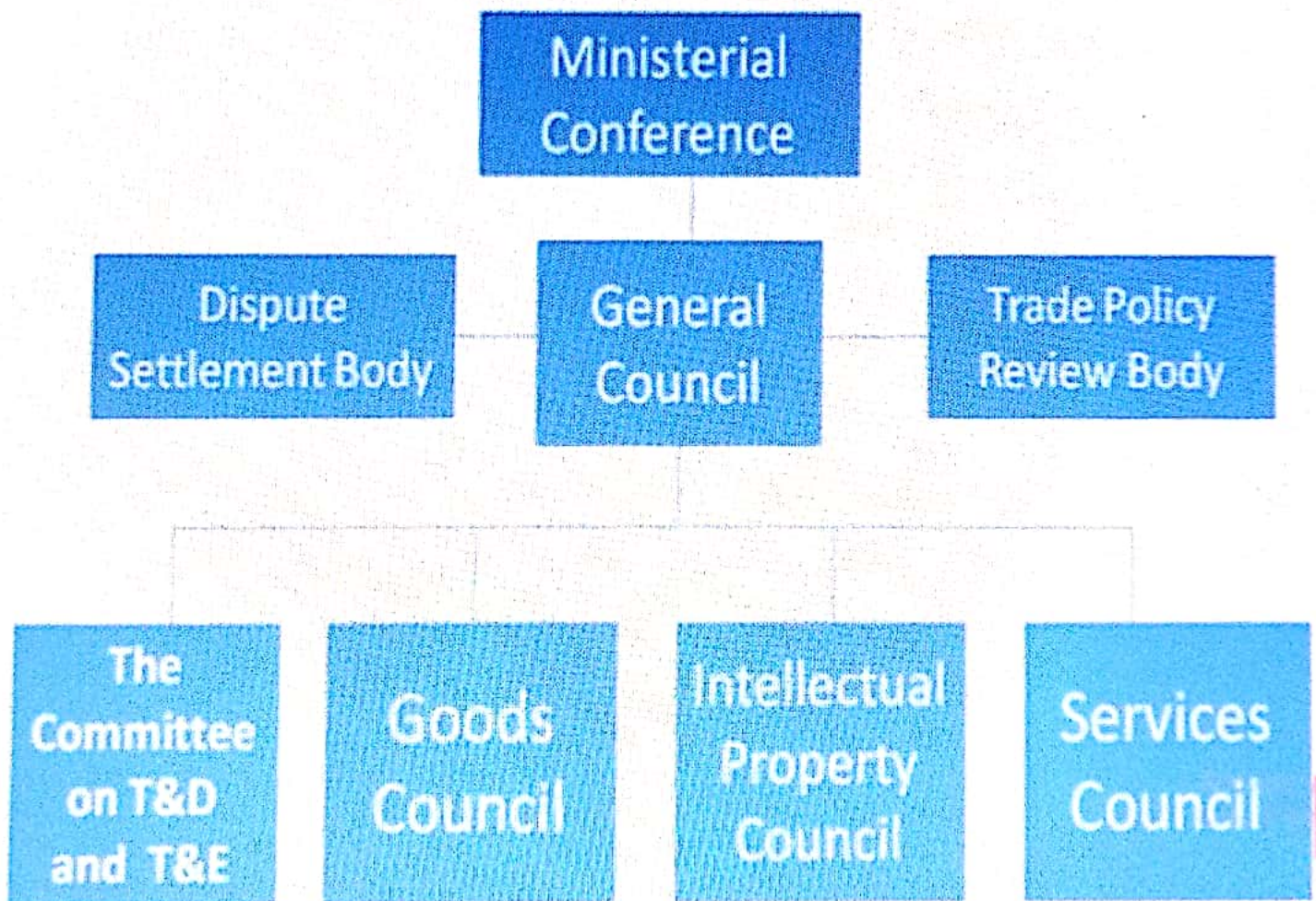
- **Freer trade:** gradually, through negotiation

- **Predictability:** through binding and **transparency**

- **Promoting fair competition**

- **Encouraging development and economic reform.**

STRUCTURE OF WTO



ROLE OF WTO

- The main goal of WTO **is to help the trading industry to become smooth, fair, free and predictable**. It was organized to become the administrator of multilateral trade and business agreements between its member nations. It **supports all occurring negotiations for latest agreements for trade**. WTO also tries to **resolve trade disputes** between member nations.
- Multi-lateral agreements are always made between several countries in the past. Because of this, such **agreements become very difficult to negotiate** but are so powerful and influential once all the parties agree and sign the multi-lateral agreement. WTO acts as the **administrator**. If there are unfair trade practices or dumping and there is complain filed, the staff of WTO are expected to investigate and **check if there are violations** based on the multi-lateral agreements.

TRIMs, AND TRIPS OF WTO

1) Agreement on Trade-Related Investment Measures (TRIMs)

- TRIMs refers to certain conditions or restrictions imposed by a governments in respect of foreign investment in the country
- The agreement on TRIMs provides that no contracting party shall apply any TRIM which is inconsistent with the WTO Articles.

2) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

- The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation as applied to nationals of other WTO Members

THE RELEVANCE OF WTO

- The system helps promote peace.
- The system allows disputes to be handled constructively.
- A system based on rules rather than power makes life easier for all.
- Freer trade cuts the cost of living.
- It gives consumers more choice and a broader range of qualities to choose from.
- Trade raises incomes.
- Trade stimulates economic growth and that can be good news for employment.
- The basic principles make the system economically more efficient, and they cut costs.

THE AGREEMENTS

- The WTO is 'rules-based'; its rules are negotiated agreements
- Overview: a navigational guide
- Plurilateral agreement
- Further changes on the horizon, the Doha Agenda.
- Some of the agreements of WTO:
 - Tariffs: more bindings and closer to zero
 - The Agriculture Agreement: new rules and commitments
 - Textiles: back in the mainstream
 - Intellectual property: protection and enforcement

The agreement covers five broad issues:

- How basic principles of the trading system and other international intellectual property agreements should be applied**
- How to give adequate protection to intellectual property rights**
- How countries should enforce those rights adequately in their own territories**
- How to settle disputes on intellectual property between members of the WTO**
- Special transitional arrangements during the period when the new system is being introduced**

RECENT ISSUES

- Twenty-four participants from around the world are attending a two-month Advanced Trade Policy Course (ATPC) from 18 January to 11 March 2016
- Lamy calls for addressing macro-economic imbalances through cooperation
- Transparency mechanism for preferential trade arrangements set for approval
- Market access for LDCs (Least Developing Countries)
- Trade agreements between developing countries
- Trade policy reviews: ensuring transparency
- TRIPS Agreement aimed at facilitating access to essential medicines in poor countries.

- The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. They prescribe special treatment for developing countries. They require governments to make their trade policies transparent
- WTO deals with the special needs of developing countries as two thirds of the WTO members are developing countries and they play an increasingly important and active role in the WTO because of their numbers, because they are becoming more important in the global economy, and because they increasingly look to trade as a vital tool in their development efforts.