

Course Name:-B.A.LLB-IIth Sem

Subject:-Economics-II

Teacher:-Ms.Munesh

Topic:-World Trade

Organisation(WTO)

WTO (World Trade Organization)

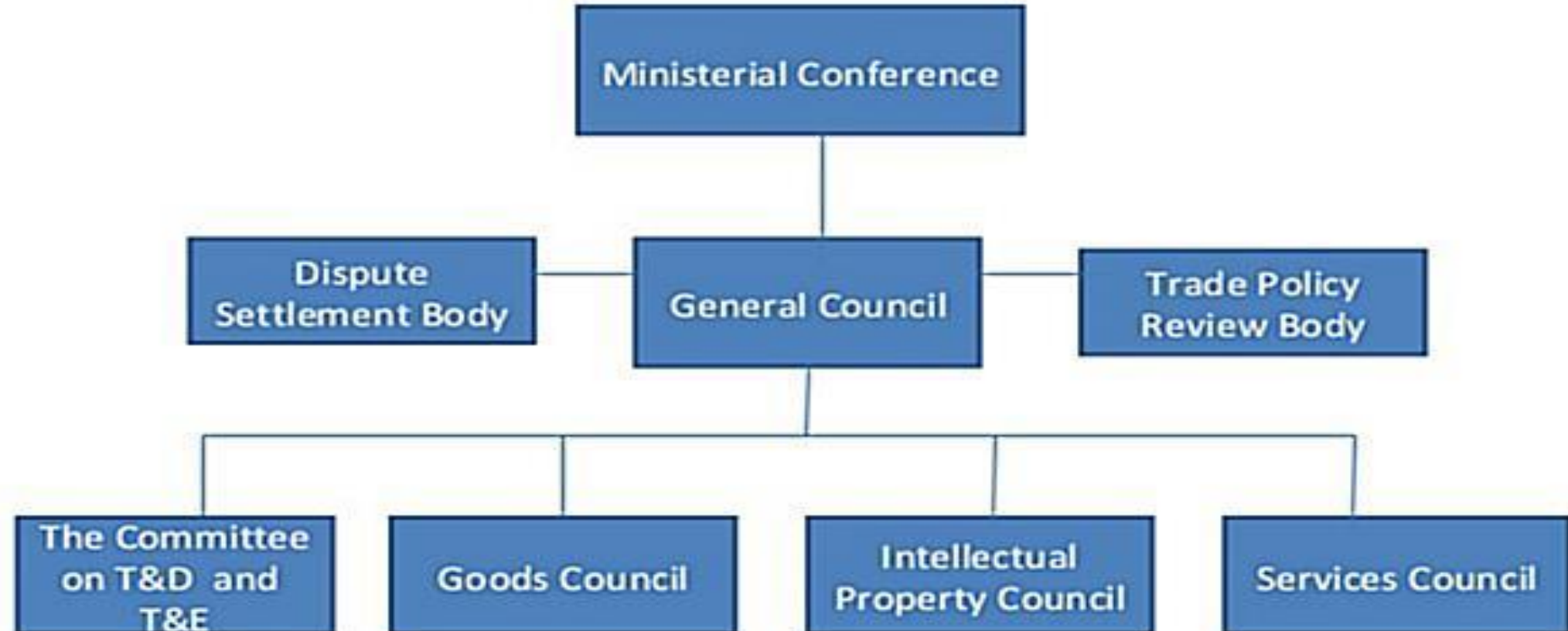
The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

- The World Trade Organization — the WTO — is the international organization whose primary purpose is to open trade for the benefit of all.

Establishment of WTO

- Created in 1995, the World Trade Organization (WTO) is an international institution that oversees the global trade rules among nations. It superseded the 1947 General Agreement on Tariffs and Trade (GATT) created in the wake of World War II.
- The predecessor of the WTO is the General Agreement on Tariffs and Trade (GATT). Both the GATT and WTO aim at reducing tariff and eliminating other trade barriers among Members. The GATT was founded in 1947 with 23 Members and now, the WTO has 164 Members, contributing to 98% of global trade.
- As of 2019 the WTO has 164 member countries, with Liberia and Afghanistan the most recent members, having joined in July 2016, and 23 “observer” countries.

STRUCTURES OF WTO



Features of WTO

- Non-Discrimination
- Free Trade
- Stability in the Trading System
- Promotion of Fair Competition
- Special Concern for Developing Countries
- Market Access Commitment
- Decision at the Ministerial Level Meeting
- Wider Range of Issue

Functions of WTO

- Administering trade agreements
- Acts as forum for trade negotiations
- Settling trade disputes
- Reviewing national trade policies
- Assisting developing countries in trade policy issues, through technical assistance and training programmes
- Cooperating with other international organisations

Objective of WTO

- To improve the standard of living of people in the member countries.
- 2. To ensure full employment and broad increase in effective demand.
- 3. To enlarge production and trade of goods.
- 4. To increase the trade of services.
- 5. To ensure optimum utilization of world resources.
- 6. To protect the environment.
- 7. To accept the concept of sustainable development

Achievements of WTO

- Greater market orientation has become the general rule
- Use of restrictive measures for BOP problems has declined markedly
- Services trade has been brought into the multilateral system and many countries, as in goods, are opening their markets for trade and investment either unilaterally or through regional or multilateral negotiations
- Tariff-based protection has become the norm rather than the exception

- Many UDCs have undertaken radical trade, exchange and domestic reforms which have improved the efficiency of resource use, opened up new investment opportunities, and, thus, promoted economic growth.
- The trade policy review mechanism has created a process of continuous monitoring of trade policy developments.
- It has been agreed to reduce import tariffs on industrial goods, based on Swiss Formula. A Swiss formula is a non-linear formula where tariff-cuts are proportionally higher for tariffs, which are initially higher. For instance, a country, which has an initial tariff of 30 per cent on a product will have to undertake proportionally higher cuts than a country which has an initial tariff of 20 per cent on the same product.

CONCLUSION

The WTO is democratically and fairly structured and provides a good framework for the regulation of international trade. That said there are many imbalances of power and resources between different members *with in* WTO . However this is a reflection of an imbalance between countries in the world in general and does not derive from any bias of the WTO. Moreover there is substantial evidence that WTO 'rules-based' system does lead to a more transparent situation that protects weaker countries from being exploited by the stronger. This is not to say that there is not more to be done in making the informal workings of the WTO are conducted more transparently and with greater fairness.