

# *WORLD TRADE ORGANISATION*

By: Asst Prof Mitalee Kumar

Durga College Raipur (c. g)



# 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 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

## 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

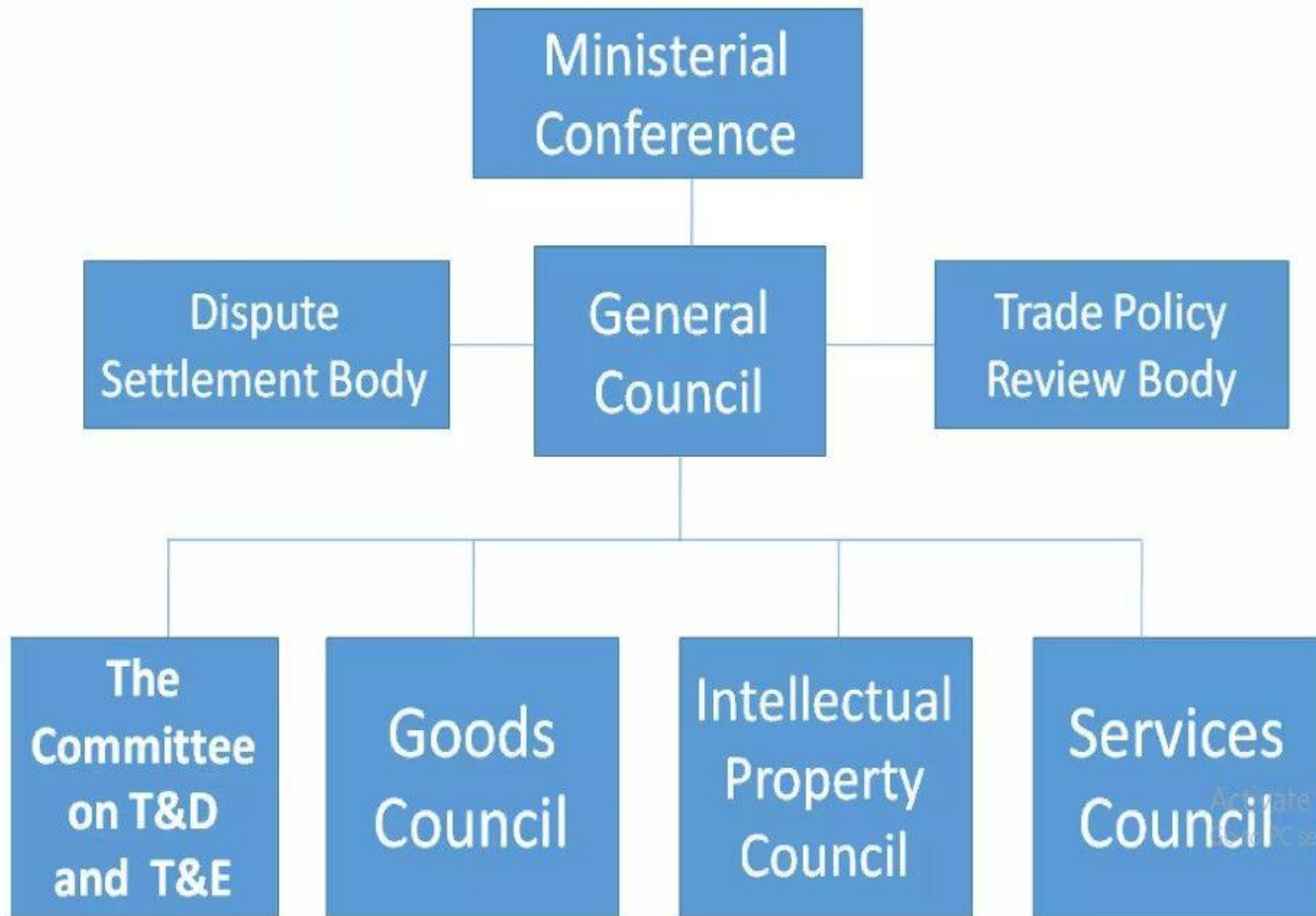
- ✚ Administering WTO trade agreements
- ✚ Forum for trade negotiations
- ✚ Handling trade disputes
- ✚ Monitoring national trade policies
- ✚ Technical assistance and training for developing countries
- ✚ Cooperation with other international organizations

# 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 complaint 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 refer to certain conditions or restrictions imposed by 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
- ✚ TRIPS contains requirements that nations' laws must meet for copyright rights, including the rights of performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs; integrated circuit layout-designs; patents; monopolies for the developers of new plant varieties; trademarks; trade dress; and undisclosed or confidential information.
- ✚ Specifies enforcement procedures, remedies, and dispute resolution procedures.

## 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.

## CONCLUSION

- ✚ It is the place where the member country comes and talks together and shares their grievance in order to resolve their problem related to international trade.
- ✚ The countries make their decisions through various councils and committees, whose membership consists of all WTO members.
- ✚ The system helps promote peace, by handling Dispute of member countries. It provides free trade which cuts the costs of living and provides more choice of products and qualities and stimulates economic growth.
- ✚ 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.



**THANKYOU!**