

# World Trade Organisation (WTO)



# The beginning ...

- Church House, London 1946. The inaugural session of the Preparatory Committee charged with creating an International Trade Organization.



# The Havana conference, Cuba, December 1947

- One of the purposes of this UN Conference on Trade and Employment was to set up an International Trade Organization as a third world economic pillar alongside the World Bank and International Monetary Fund.
- The attempt failed, but the negotiated trade rules, the General Agreement on Tariffs and Trade (GATT), did take effect from 1 January 1948.
- The system that has become known as the multilateral trading system was born. For 47 years, GATT served as an ad hoc international organization, taking up some of the functions originally intended for the ITO.



# Second GATT meeting, 17 August 1948

- Second meeting of the 22 contracting parties to the General Agreement on Tariffs and Trade (i.e. GATT members), Geneva, Switzerland.
- The first round, with 23 countries meeting in Geneva in 1947, led to the establishment of GATT itself, as well as some 45,000 reductions in participants' customs duties. It was held in preparation for the Havana conference.
- In this second round, participants agreed to exchange some 5,000 tariff concessions, and 10 more countries signed the General Agreement.



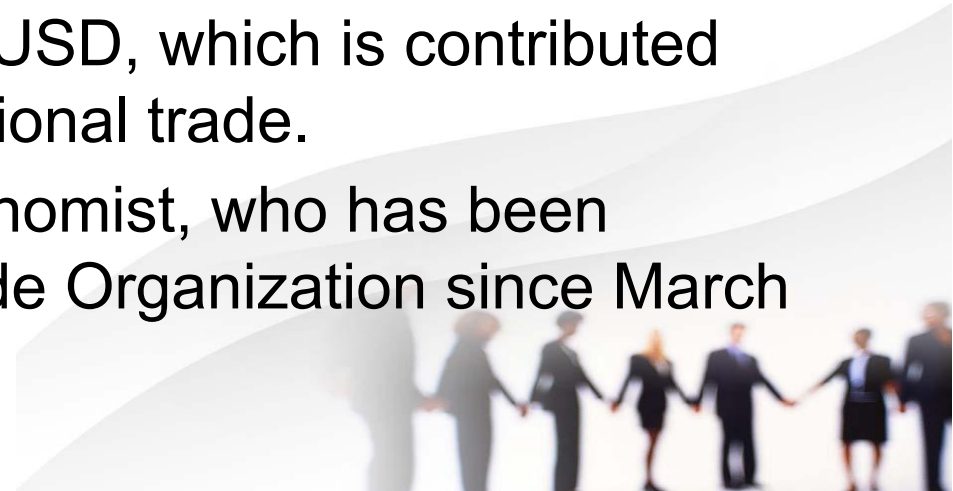
# The end, and a new beginning Birth of “WTO”

- The Uruguay Round package was signed in Marrakesh in April 1994, seven and a half years after the round began.
- The most important result was the creation of the World Trade Organization, almost half a century after the failed attempt to create an International Trade Organization. And with the WTO's creation, the multilateral rules were expanded to cover new areas of trade.
- GATT had only dealt with trade in goods. It was to be replaced on 1 January 1995 by the the WTO. But the General Agreement continued to exist in revised form alongside new rules for services and intellectual property.



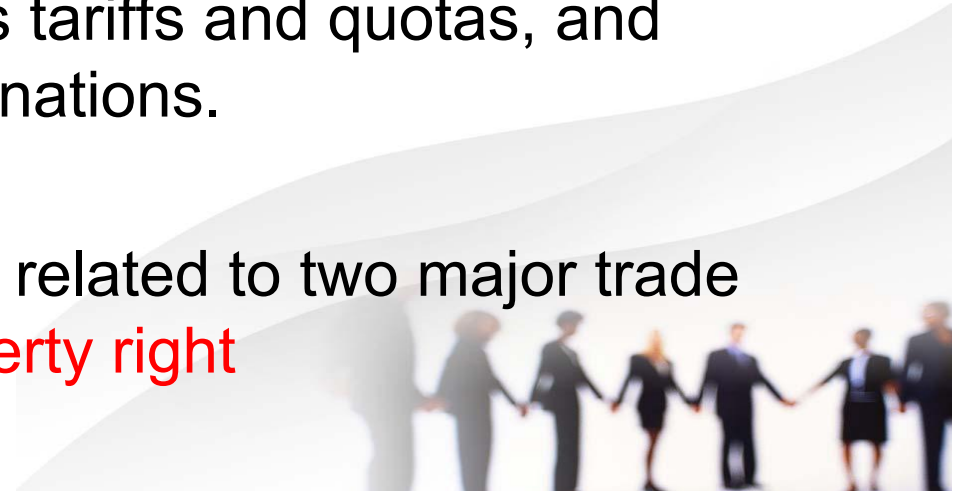
# WTO

- The WTO is the world's largest international economic organization, with 164 member states representing over 98% of global trade and global GDP
- The WTO's headquarters is in Geneva, Switzerland. Its top decision-making body is the Ministerial Conference, which is composed of all member states and usually convenes biennially; consensus is emphasized in all decisions.
- The WTO's annual budget is roughly 220 million USD, which is contributed by members based on their proportion of international trade.
- Ngozi Okonjo-Iweala is a Nigerian-American economist, who has been serving as the Director-General of the World Trade Organization since March 2021.



# WTO

- GATT was not really an organisation, it was merely a legal agreement.
- WTO is a international organisation, with permanenet body.
- The organization oversees and regulates international trade, sets trade agreements, resolves trade disputes between member countries, and provides a forum for negotiating trade agreements.
- The WTO works to reduce trade barriers, such as tariffs and quotas, and promotes fair and open trade among its member nations.
- In addition to that, thw WTO also handel problem related to two major trade relation as **foreign investment and intellectual property right**



# Function

- **Trade Negotiations:** The WTO provides a platform for member countries to negotiate trade agreements. These negotiations cover various aspects of trade, including the reduction of tariffs and other trade barriers.
- **Dispute Settlement:** The WTO has a structured system for resolving trade disputes between member countries. It offers a mechanism for settling disagreements that arise regarding trade policies and practices.
- **Monitoring and Implementation:** The organization monitors the implementation of trade agreements among member nations to ensure compliance. It also provides a forum for reviewing and discussing national trade policies.





# Function

- **Technical Assistance and Training:** The WTO offers assistance and training to developing countries, helping them build capacity in trade-related matters and navigate the complexities of international trade regulations.
- **Setting Trade Rules:** The organization develops and sets rules governing international trade. These rules cover various aspects, such as non-discrimination, dispute resolution, and transparency in trade practices.



# Objective

1. To impliment new trade system
2. to promote world trade in a manner that benifites every country
3. to ensure that developing countries secure a better balance in the sharing of the advantage.
4. To demolish all hurdles to an open world trading system
5. To enhance competativeness among all trading countries
6. To increase the level of production and employment in the world level
7. To expand and utilise the world resources to the best,
8. to improve the level of living for tche global populationand speed up the conomic development



# Scope of WTO

- GATT mainly concern for the trade of manufacturing product
- WTO includes:
  - 1- Trade related intellectual property rights (TRIPS)
  - 2- Trade Related Investment Measures (TRIMS)
  - 3- General Agreements on trade in Services (GATS)



# Benifites of WTO to Developing countries and India

1. effucieny of domestci resources will increase
2. Increase in Economic of Scale
3. Technology transfer
4. Increase in Economic growth
5. increase in trade relation



