

World trade organization

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What is the 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.

History of World Trade Organization The World Trade

Organisation (WTO) was established on 1st January 1995, but its working dates back to about 50 years ago. Before the WTO, GATT was in existence in 1948, which was replaced by it.

- According to the General Agreement, a body named GATT (General Agreement on Tariff and Trade) was formed, which underwent evolution over the years of rounds of negotiations.
- This GATT witnessed its last conference in 1994 which started in 1986. This last round was called the Uruguay Round.
- A year later, the WTO was formed in 1995. Where, the GATT, only dealt with trading, the WTO focused on goods trading along with services and intellectual properties.

Objectives of the World Trade Organization

The WTO works on the following objectives:

- To limit the trading barriers by negotiating. This results in a reduction in the prices of goods and services, which in turn results in a reduction in the cost of living.
- Stimulating economic growth and employment opportunities
- Limit the cost of international business activities.
- To promote the concept of good governance.
- To reduce the trade disputes among the countries.
- Collaborating with the leading financial institutions to boost economic management.

Functions of WTO

- Improving people's lives
- Negotiating trade rules
- Overseeing WTO agreements
- Maintaining open trade
- Settling disputes

Governance Structure of WTO

The governance structure of WTO is

1. The Ministerial Council
2. General Council
3. Goods Council
4. Intellectual Property Council
5. Services Council

IMPORTANT FACTS ABOUT “WTO”

Location: Geneva, Switzerland

Established: 1 January 1995

Created by: Uruguay Round negotiations (1986-94)

Membership: 164 members representing 98 per cent of world trade

THANKS