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Dr. Abhay Kumar Pathak
Dept. of Economics,
Maharaja College,
Durgam Chauri (LNMU)

Content of the paper: -
International Economics

TOPIC :- ANALYSES OF WORLD
TRADE ORGANISATION
(WTO)

The establishment of the World Trade Organisation or WTO as the successor to the General Agreement on Tariffs and Trade or GATT on 1st January 1995 under the Marrakesh Agreement places the global trading system on a firm constitutional footing with the evolution of international economic legislation requested through the Uruguay Round of GATT negotiations. A remarkable feature of the Uruguay Round was that it paved the way for further liberalisation of international trade with the fundamental shift from the negotiation approach to the institutional framework envisaged through transition from GATT to WTO Agreement.

The GATT 1947 and the WTO co-existed for the transitional period of one year i.e. in 1994. In January 1995, however, the WTO completely replaced the GATT. The membership of the WTO increased from 77 in 1995 to 127 by the end of 1996.

Structure of the WTO:-

The Ministerial Conference is at the top of the structural organisation of the WTO. It is supreme governing body which takes ultimate decisions on all matters. It is constituted by representatives usually Ministers of Trade

of all the member countries.

The General Council is composed of the representatives of all the members.

It is the real engine of WTO which acts on behalf of the Ministerial Conference. It also acts as the Dispute Settlement Body as well as the Trade Policy Review Body.

There are three Councils, that is, the Council for Trade in Services and the Council for Trade-Related Aspects of Intellectual Property Rights operating under the General Council. These Councils with their subsidiary bodies carry out their specific responsibilities.

Further there are three committees, that is, the Committee on Trade and Development, the Committee on Balance of Payments Restrictions and the Committee on Budget, Finance and Administration which execute the functions assigned to them by the WTO Agreement and the General Council.

The administration of the WTO is conducted by the Secretariat which is headed by the Director General appointed by the Ministerial Council for the tenure of four years. He is assisted by the four Deputy Directors from different member countries. The annual budget estimates and financial statements of the WTO are presented by the Director General to the Committee on Budget, Finance and Administration for review and recommendations for the

final approval by the General Council.

Functions of the WTO :-

The WTO consists of a multifaceted normative framework comprising institutional substantive and implementation aspects. The major functions of WTO are as follows :-

- (I) To lay down a substantive code of conduct aiming at reducing trade barriers including tariffs and eliminating discrimination to international trade relations.
- (II) To provide the institutional framework for the administration of the substantive code which encompasses a spectrum of norms governing the conduct of member countries in the area of global trade.
- (III) To provide an integrated structure of the administration, thus to facilitate the implementation, administration and fulfillment of the objectives of the WTO Agreement and Other Multilateral Trade Agreements.
- (IV) To ensure the implementation of the substantive code.
- (V) To act as a forum for the negotiation

of further trade liberalisation.

- (VI) To Co-operate with the International Monetary Fund and World Bank and its associates for establishing a coherence in trade policy making.
- (VII) To settle the trade-related disputes.

Most of the criticisms levelled against the GATT and Uruguay Round negotiations still hold true about the WTO. Economic implications of the WTO Agreement on various fields will be wide and varied. Though it may succeed in freeing trade and globalisation to an extent it will fail to create a balanced growth of world economy.
