



WTO its Objectives, Functions, Principles of Trading and Agreements

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WTO is an intergovernmental organization that is concerned with the regulation of international trade between nations. The WTO officially commenced on **1 January 1995** under the **Marrakesh Agreement**, signed by 123 nations on 15 April 1994, replacing the **General Agreement on Tariffs and Trade (GATT)**, which commenced in 1948. WTO deals with **regulation of trade in goods, services and intellectual property** between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements, which are signed by representatives of member governments. It prohibits **discrimination between trading partners**, but provides exceptions for **environmental protection, national security, and other important goals**.

- The WTO's current Director-General is **Roberto Azevedo (1 September 2013 to 31 August 2020)**, who leads a staff of over 640 people in **Geneva, Switzerland**.
- Located in **Geneva, Switzerland**
- Members: **164 countries**
- WTO observers: **23**

Objective of WTO

- Raising standards of living
- Ensuring full employment
- Realizing the seaims consistently with sustainable development and environmental protection
- Ensuring that developing countries especially least developed countries secure a proper share in the growth of international trade
- Public interest goals to seeing itself primarily as ' an organization for liberalizing trade' and declaring that ' the systems's overriding purpose is to help trade flow as freely as possible

Functions of WTO

- Provide the framework for the implementation, administration and operation of the multilateral Trade Agreements
- Provide the forum for negotiations among its members concerning their multilateral trade
- Administer the Understanding on Rules and Procedures Governing the Settlement of Disputes.
- Administer Trade Policy Review Mechanism

- Cooperate, as Appropriate, with the international Monetary Fund (IMF) and with the International Bank for Reconstruction and Development (IBRD) and its affiliated agencies

Principles of the trading system

- **Reciprocity:** It reflects both a desire to limit the scope of free-riding that may arise because of the MFN rule, and a desire to obtain better access to foreign markets
- **Binding and enforceable commitments:** Made by WTO members in a multilateral trade negotiation and on accession are enumerated in a schedule (list) of concessions
- **Transparency:** Publish their trade regulations, to maintain institutions allowing for the review of administrative decisions affecting trade, to respond to requests for information by other members, and to notify changes in trade policies to the WTO
- **Safety values:** WTO's agreements permit members to take measures to protect not only the environment but also public health, animal health and plant health

Agreements

- **Agreement on Agriculture (1995):** Three central concepts, or "pillars": domestic support, market access and export subsidies
- **General Agreement on Trade in Services (January 1995):** Created to extend the multilateral trading system to service sector
- **Agreement on Trade-Related Aspects of Intellectual Property Rights (1994):** Sets down minimum standards for many forms of intellectual property (IP) regulation.
- **Agreement on the Application of Sanitary and Phytosanitary Measures (1995):** Sets constraints on members' policies relating to food safety as well as animal and plant health.
- **Agreement on Technical Barriers to Trade (1994):** The object ensures that technical negotiations and standards, as well as testing and certification procedures, do not create unnecessary obstacles to trade
- **Agreement on Customs Valuation:** Chiefly, it adopts the "transaction value" approach.
- In December 2013, the biggest agreement within the WTO was signed and known as the Bali Package.
- The Bali Package is a trade agreement resulting from the Ninth Ministerial Conference of the WTO in Bali, Indonesia on 3-7 December 2013. It is aimed at lowering global trade barriers and is the first agreement reached through the WTO that is approved by all its members.