

### History



- Originally set up in 1947 as the General Agreement on Tariffs and Trade (GATT)
  - Developed during 8 Rounds of Negotiations
- GATT was replaced by the WTO in 1995
  - 128 signing members
  - Governed 90% of world trade
- Currently, there are 153 member countries in the WTO

#### General Agreement on Tariffs and Trade (GATT) GATT



- Aimed at the abolition of quotas and the reduction of tariffs among member countries.
- Was suppose to be replaces by International Trade Organization (ITO)
  - USA didn't ratify

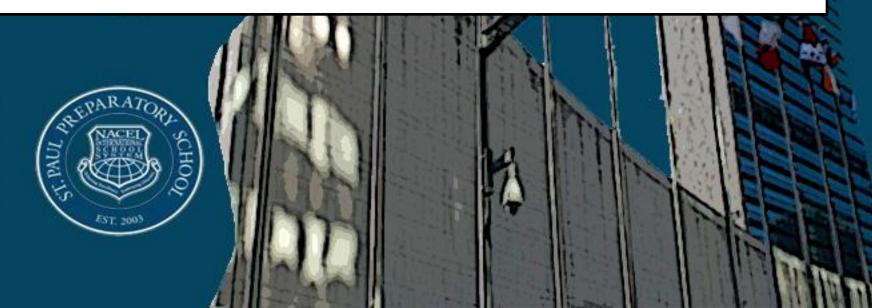




### I n t

- Trade Negotiations
  - Cover goods, services, and intellectual property
  - Set procedures for settling disputes



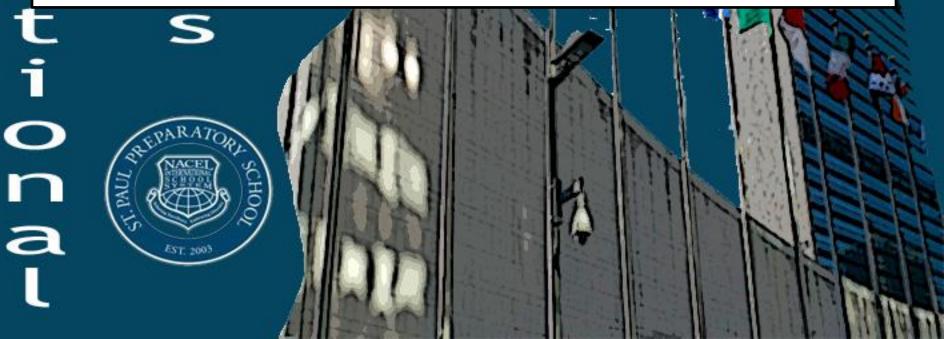


- Implementation and Monitoring
  - Require governments to make their trade policies transparent by notifying the WTO
  - WTO councils and committees ensure policies are being followed
  - WTO members are periodically scrutinized on their trade policies and practices

- Dispute Settlement
  - Resolves trade quarrels to ensure trade runs smoothly
  - Countries petition the WTO if they believe they believe their rights are being infringed

- Building Trade Capacity
  - WTO specifically tries to aid developing countries to build their trading capacity and try to help establish trading standards
  - Organizes technical cooperation missions, numerous courses for government officials, and the Aid for Trade tries to help develop a country's skills and infrastructure to expand their trade capacity

- Outreach
  - WTO works with Non-Government Organizations to expand WTOs function and enhance cooperation



# **Principles of Trading System** 1. Without Discrimination: A country should not discriminate between its trading partners 2. Freer: Barriers coming down through negotiation **Progressive Liberalization**

# Principles of Trading System Continued

- 3. Predictable: Foreign companies, investors, and governments should be confident that trade barriers should not be randomly raised
- 4. More Competitive: Discouraging "unfair" practices such as export subsidies and dumping products at below cost to gain market share
- 5. More Beneficial for Less Developed Countries: Giving them more time to adjust, greater flexibility, and special privileges.

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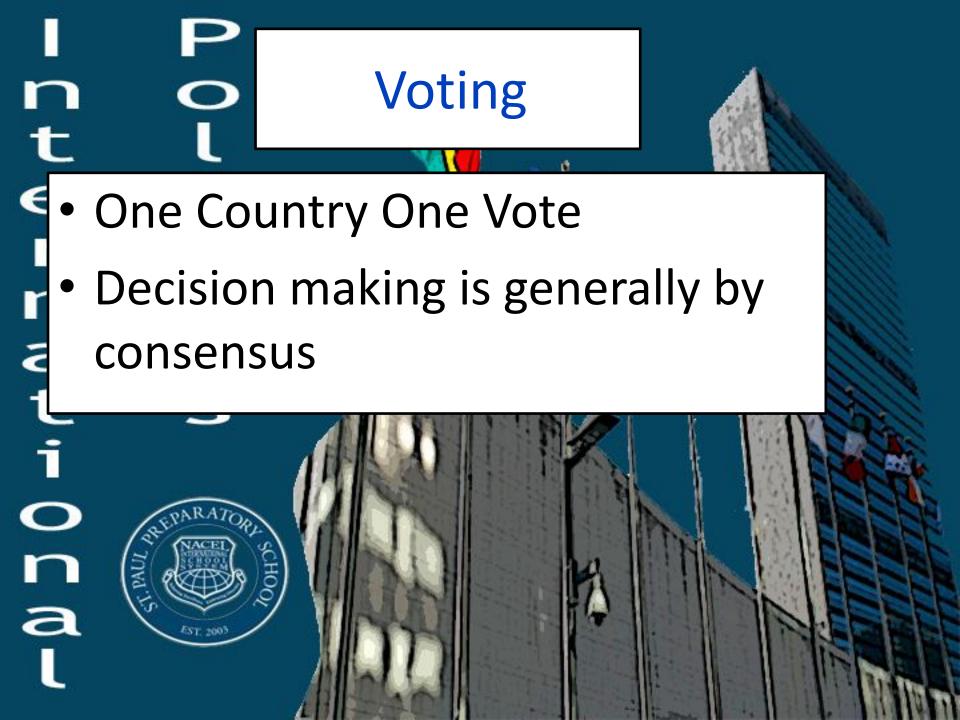
### Organizational structure

- Council for Trade in Goods
  - All members of the WTO participate in the committees
- Council for Trade-Related Aspects of Intellectual Property Rights
  - Information on intellectual property in the WTO

### Organizational Structure Cont.

- Trade Negotiations Committee
  - deals with the current trade talks





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### Members



- The World Trade Organization is composed of 153 countries
- Of these, 123 were signed during the Uruguay round
- WTO members do not have to be full-sovereign nation members
- Instead, they must be a custom territory with full autonomy in their external relations
  - Example: Hong Kong, China is considered a member



#### Cons



- Currently the WTO is under criticism
  - Commonly viewed as irrelevant
  - Lack of Transparency
  - WTO is sometimes viewed as a rushed reaction to international trade due to WWII
  - drastic wealth inequalities between members
    - Trying to make the developing countries catch up to the developed

