

I ***INTRODUCTION OF WTO & INDIA***



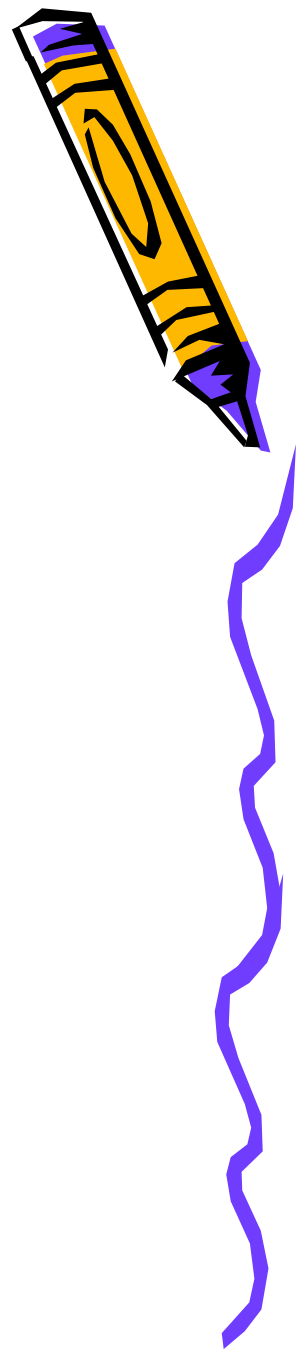
- WTO was formed on 1st jan,1995.
- It took over GATT (General agreement on tariffs & trade). In 8th round of GATT, popularly known as Uruguay Round, member nations of GATT decided to set up a new organization, 'World Trade Organization' in place of GATT.



- A Forum where member countries met from time to time to discuss & solve world trade problems .
- It Enjoys identical legal status , privileges , Immunities that the world bank & IMF get .



THE THREE STOOGES
OF CORPORATE FOLLY



WORLD TRADE ORGANIZATION

- World Trade Organization
- The WTO was born out of the General Agreement on Tariffs and Trade (GATT).
- Headquarters : Geneva, Switzerland
- Formation : 1 January 1995
- Membership : 153 member countries
- Budget : 163 million USD (Approx).

WTO Vs GATT

GATT

- It was ad hoc & provisional.
- It had no provision for creating an organization.
- It allowed contradictions in local law & GATT agreements.

WTO

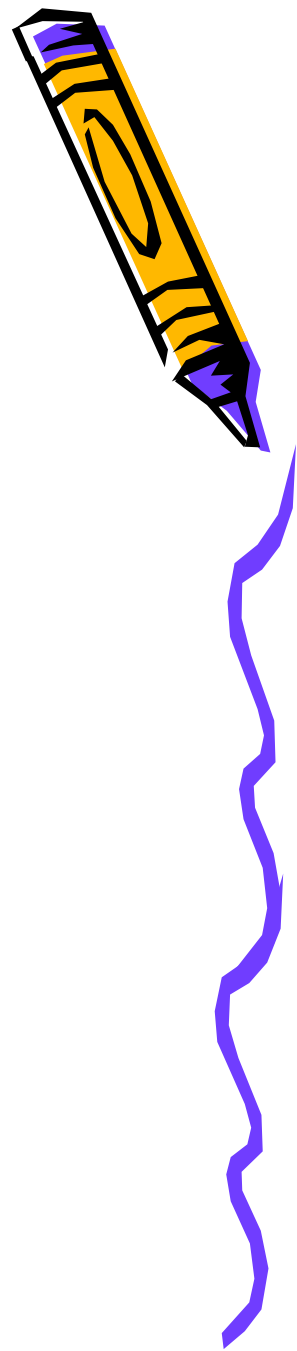
- It is permanent.
- It has legal basis because member nations have verified the WTO agreements.
- More authority than GATT.
- It doesn't allow any contradictions in local law .



OBJECTIVES OF WTO

- The primary aim of WTO is to implement the new world trade agreement.
- To promote multilateral trade .
- To promote free trade by abolishing tariff & non-tariff barriers.
- To enhance competitiveness among all trading partners so as to benefit consumers.
- To increase the level of production & productivity with a view to increase the level of employment in the world.
- To expand & utilise world resources in the most optimum manner.
- To improve the level of living for the global population & speed up economic development of the member nations.
- To take special steps for the development of poorest nations.

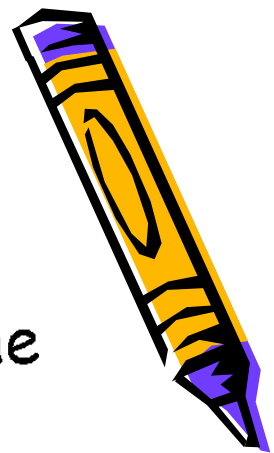




- India is one of the founder members of WTO.
- WTO is an international trade organization having set of rules & principles, mutually designed & agreed upon to promote international trade in general & reduction of tariffs barriers & removal of import restrictions in particular.



FUNCTIONS OF WTO



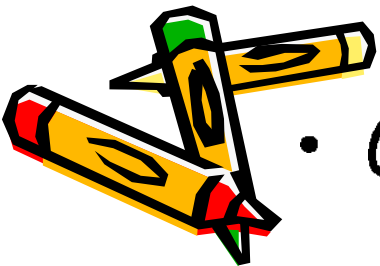
- Implementing WTO agreements & administering the international trade.
- Cooperating with IMF & World Bank & its associates for establishing coordination in Global Trade Policy-Making.
- Settling trade related disputes among member nations with the help of its Dispute Settlement
- Reviewing trade related economic policies of member countries with help of its Trade Policy Review Body (TPRB).
 - Providing technical assistance & guidance related to management of foreign trade & fiscal policy to its member nations.
- Acting as forum for trade liberalisation.



Scope of WTO



- Trade in Goods.
- Trade Related Intellectual Property Rights (TRIPs).
- Trade Related Investments Measures (TRIMs).



- General Agreement on Trade in Services. (GATS).



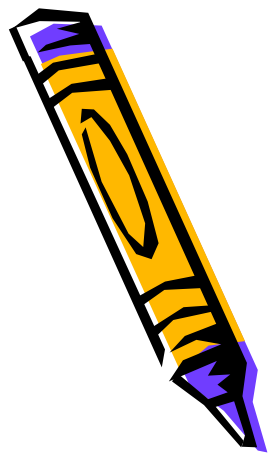
Argument in Favour of WTO



- Increase in foreign trade.
- Increase in agricultural exports.
- Increase in inflow of foreign investment.
- Improvement in services.
- Benefits for clothing & textile industry.
- Inflow of better technology & better quality products.



Agreements



GATT

It all began with trade in goods. From 1947 to 1994, GATT was the forum for negotiating lower customs duty rates and other trade barriers; the text of the *General Agreement* spelt out important rules, particularly non-discrimination. Since 1995, the updated GATT has become the WTO's umbrella agreement for trade in goods. It has annexes dealing with specific sectors such as agriculture and textiles, and with specific issues such as state trading, product standards, subsidies and actions taken against dumping.



GATS

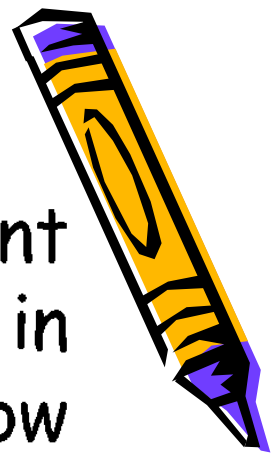
Banks, insurance firms, telecommunications companies, tour operators, hotel chains and transport companies looking to do business abroad can now enjoy the same principles of freer and fairer trade that originally only applied to trade in goods.

These principles appear in the new General Agreement on Trade in Services (GATS). WTO members have also made individual commitments under GATS stating which of their services sectors they are willing to open to foreign competition, and how open those markets are.



TRIPs

The WTO's intellectual property agreement amounts to rules for trade and investment in ideas and creativity. The rules state how copyrights, patents, trademarks, geographical names used to identify products, industrial designs, integrated circuit layout-designs and undisclosed information such as trade secrets — “intellectual property” — should be protected when trade is involved. In Nutshell , the TRIPs Agreement covers 7 categories of intellectual property .



Dispute settlement System

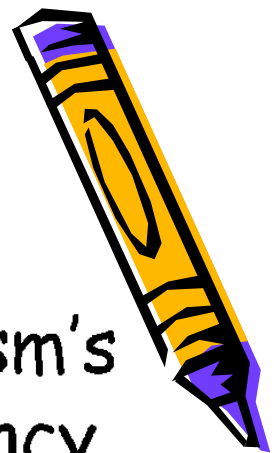
➤ The WTO's procedure for resolving trade quarrels under the Dispute Settlement Understanding is vital for enforcing the rules and therefore for ensuring that trade flows smoothly. Countries bring disputes to the WTO if they think their rights under the agreements are being infringed. Judgements by specially-appointed independent experts are based on interpretations of the agreements and individual countries' commitments.



TPRM

The Trade Policy Review Mechanism's purpose is to improve transparency, to create a greater understanding of the policies that countries are adopting, and to assess their impact. Many members also see the reviews as constructive feedback on their policies.

All WTO members must undergo periodic scrutiny, each review containing reports by the country concerned and the WTO Secretariat.

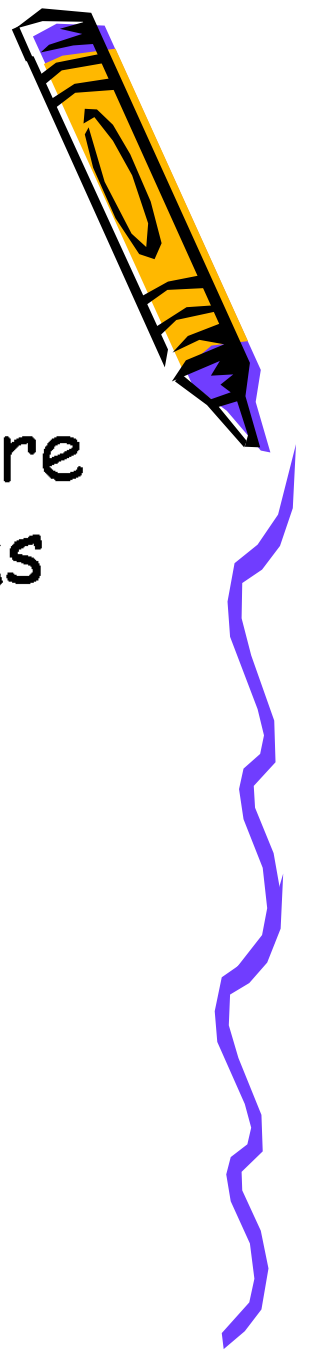


WTO AND INDIAN AGRICULTURE

- Introduction.

After over 7 years of negotiations the Uruguay Round multilateral trade negotiations were concluded on December 1993 and were formally ratified in April 1994 at Marrakesh, Morocco.

- The WTO Agreement on **Agriculture** was one of the **main agreements** which were negotiated during the Uruguay Round.



- The *WTO Agreement on Agriculture* contains provisions in 3 broad areas of agriculture.
2. Market access.
 3. Domestic support.
 4. Export subsidies.



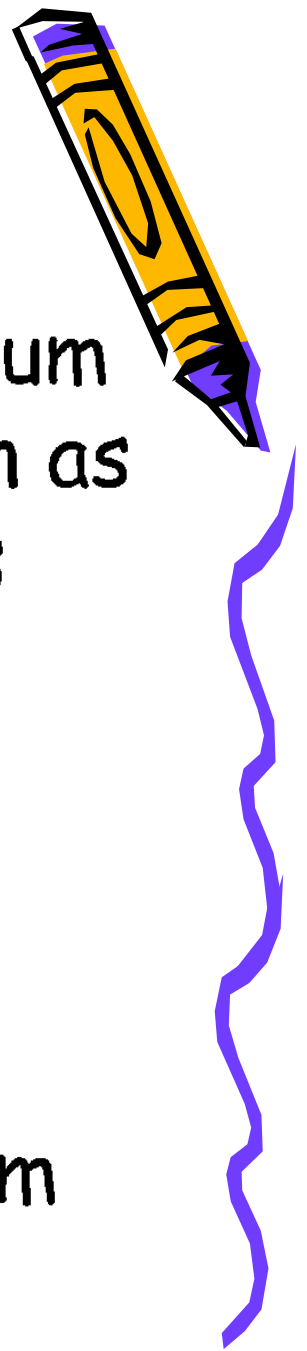
Market access.

- This includes tariffication, tariff reduction and access opportunities.
- Tariffication means that all non-tariff barriers such as...
 3. quotas.
 4. variable levies.
 5. minimum import prices.
 6. discretionary licensing.
 7. state trading measures.



DOMESTIC SUPPORT.

- It measures that have a minimum impact on the trade also known as green box policies . It includes general government services like : As in the areas of research , disease control , infrastructure and food security . Also includes direct payements to producers in form of income support etc .



EXPORT SUBSIDIES.



- The Agreement contains provisions regarding members commitment to reduce Export Subsidies.
- Developed countries are required to reduce their export subsidy expenditure by 36%.
- For developing countries the percentage cuts are 24%.



Conclusion

India, as a developing economy, has been benefitted being a founding member of the World trade Organization. The country at large has seen many significant changes which have taken place after the formation of WTO. There are some issues which are yet to be sorted out with the WTO and but by and large things are falling in shape for the Indian Economy.



Thank You

