

Overview of the WTO & its Agreements

Specialized Course on WTO Rules, DSU & RTAs
CWS, IIFT – New Delhi
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Outline

- From GATT to WTO
- WTO: Objectives, main functions & agreements, basic principles, membership, structure
- Developments: Bali Ministerial and state of play in the Doha Round.

From GATT to the WTO

Trade Rounds: GATT

1 Jan. 1948	Entry into force of the GATT (Provisional Application)	
1949	“Annecy Round”	TARIFF
1951	“Torquay Round”	TARIFF
1956	“Geneva Round”	TARIFF
1960-62	“Dillon Round” - Geneva	TARIFF
1964-67	“Kennedy Round” - Geneva	NTMs - TARIFF
1973-79	“Tokyo Round” - Geneva	NTMs - TARIFF
1986-94	“Uruguay Round”	
Sep. 1986	Punta del Este (Uruguay) Declaration - Official Launch	
1988 & Dec.1990	Montreal (Mid-Term Review) + Brussels Conference	
Dec. 1993	Completion of the Round (adoption of the FINAL ACT)	
Apr. 1994	Marrakesh Ministerial Conference (signature of the FINAL ACT)	
1 Jan. 1995	Entry into force of the Marrakesh Agreement (WTO)	
31. Dec 1995	End of the GATT 1947	

World Trade Organization (WTO)

- **Successor to GATT**
- **International Organisation embodied in the results of the Uruguay Round**
- **Established: 1 January 1995**
- **Member driven (159 +1 Members)**
- **Serviced by WTO Secretariat - 650+ staff**
- **Based in Geneva**



WTO Members: Background

Classification of Members

- **Developing Countries**
- **Least-Developed Countries (LDCs)**
- **Developed**
- **Transition Economies**

Growing Membership in the WTO



WTO: Objectives

...relations in the field of trade... should be conducted with a view to:

- Raising **standards of living**
- Ensuring **full employment**
- Ensuring a large and steadily **growing volume of real income and effective demand**
- **Expanding the production** of and trade in **goods** and **services** with the objective of **sustainable development**
- Seeking to **Protect and Preserve the environment** and enhance the means for doing so in a manner consistent with the respective needs and concerns of WTO Members at different levels of **economic development**

WTO: Main functions

- Administering **WTO Agreements**
- Forum for **trade negotiations**
- Handling **trade disputes**
- **Monitoring** members' Trade Policies
- **Coherence** in Global Economic Policy making
- **Technical assistance and capacity building** for developing countries and LDCs

WTO: Basic Principles

- ⊙ Non-Discrimination
 - Most Favoured Nation (MFN)
 - National Treatment
 - ⊙ Predictability and Transparency
 - ⊙ Liberalization: Freer trade through negotiations
 - Goods (tariffs, NTMs), services, rules
 - ⊙ Trade remedies (“fair” trade)
 - ⊙ Trade and development
 - Special and differential treatment
 - Mainstreaming trade into national development policies (A4T)
- Some exceptions and derogations exist

World Trade Organization (WTO)

● Coverage ...

- International Trade: Market Access + Rules & Disciplines
 - Trade in Goods (GATT 1994 +)
 - Trade in Services (GATS)
 - Trade-related aspects of Intellectual Property Rights (TRIPS)
- Dispute Settlement Understanding (DSU)
- Trade Policy Review Mechanism (TPRM)

WTO: Scope and Coverage

- Market Access
 - Reduction of tariffs and non-tariff barriers in agricultural and non-agriculture (industrial) sectors, market access in services
- Rules for the orderly conduct of trade
- Liberalisation of Trade in Services
- Norms for governing intellectual property protection

Coverage of the Goods Sector

- **Agreements having sectoral focus**
 - Agreement on Agriculture
 - Agreement on Textiles and Clothing
- **Procedural Issues**
 - Agreement on Pre-shipment Inspection
 - Agreement on Rules of Origin
 - Agreement on Import Licensing Procedures
 - Agreement on Trade-Related Investment Measures
 - Customs Valuation: Agreement on Implementation of Article VII of GATT 1994
 - Agreement on Trade Facilitation

Coverage of the Goods Sector (cont.)

- **Harmonisation of standards**

- Agreement on the Application of Sanitary and Phytosanitary Measures
- Agreement on Technical Barriers to Trade (Tokyo Round Code)

- **Trade defense measures**

- Agreement on Subsidies and Countervailing Measures
- Agreement on Safeguards
- Anti-dumping - Agreement on Implementation of Article VI of the GATT 1994

- **+ Understandings/Interpretation of GATT**

provisions: STEs, BoP provisions, RTAs, waivers etc.

Coverage of the General Agreement on Trade in Services (GATS)

- Business services
- Communication services
- Construction and related engineering services
- Distribution services
- Education services
- Environmental services
- Financial services
- Health related and social services
- Tourism and travel related services
- Recreation culture and sporting services
- Transportation services
- Other services not included elsewhere

Four Modes of Supply of Services

- Mode 1: Cross-border trade
 - Corresponds with the normal form of trade in goods and maintains a clear geographical separation between seller and buyer
- Mode 2: Consumption abroad
 - Refers to situations where a service consumer moves into another Member's territory to obtain a service
- Mode 3: Commercial Presence
 - Establishment of an enterprise for providing services
- Mode 4: Temporary movement of “natural persons”

Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)

- Protection of the following forms of IPRs:
 - Patents
 - Copyright and Related Rights
 - Trademarks
 - Industrial Designs
 - Layout-Designs of Integrated Circuits
 - Geographical Indications
 - Undisclosed information and Trade Secrets
- Enforcement Provisions

Plurilateral Trade Agreements

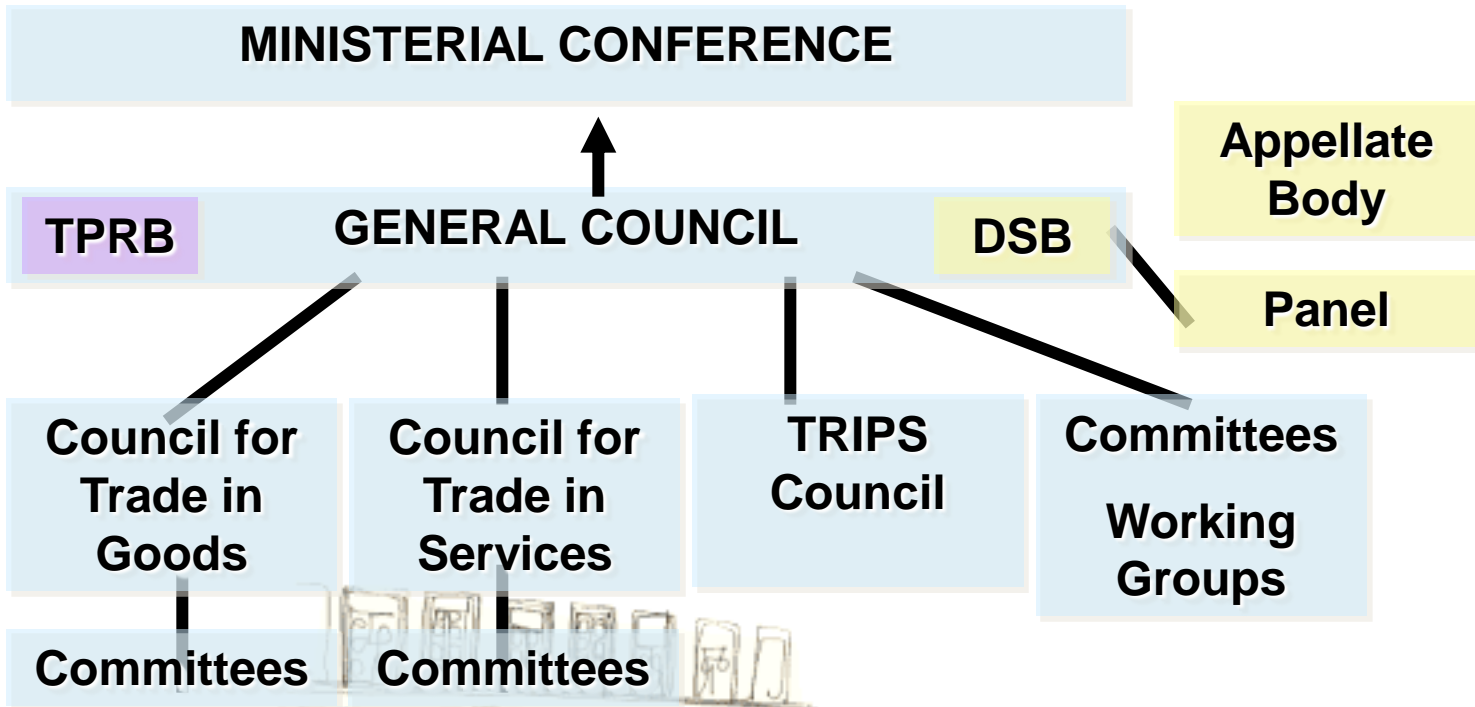
- Agreement on Trade in Civil Aircraft
- Agreement on Government Procurement
- International Dairy Agreement
- International Bovine Meat Agreement

Last two discontinued in 1997

WTO: In Practice

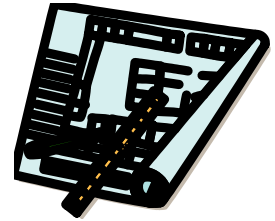
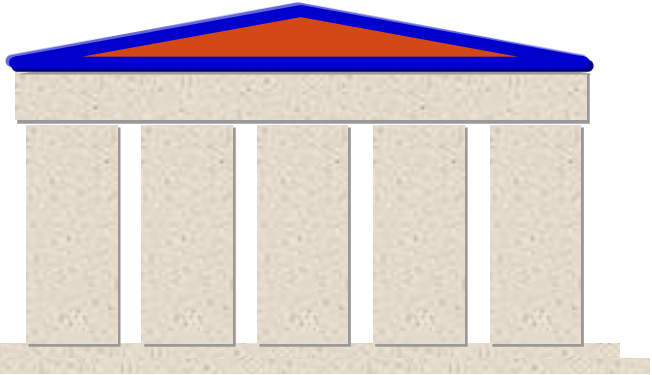
- “Multilateral” trading system
 - Plurilateral agreements
 - PTAs/RTAs
- Member-driven
- Single Undertaking
- Decision-making by Consensus
- Legally binding

WTO : Structure



**Secretariat
(WTO)**

● **Decision-making by Consensus**



MINISTERIAL CONFERENCE

To be held at least once every two years:

1996: Singapore

1998: Geneva

1999: Seattle

2001: Doha (Launch of the Doha Negotiations)

2003: Cancun

2005: Hong Kong

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2009 Geneva

2011 Geneva

2013 Bali

Doha Ministerial

Fourth Ministerial Conference

- Doha (9-14 November 2001)
- Outcome (“Doha Development Agenda”)



Doha Development Agenda

- **Doha Ministerial Declaration**
- Decision on **Implementation Related Issues**
- **Declaration on TRIPS & Public Health**

Doha Development Agenda

- Adopted by **all** WTO Members
- Work Programme launched
 - Negotiations (Market Access, Rules, Trade & Environment, TRIPS etc.)
 - Establishment of Working Groups (Trade-Debt/Finance, small economies)
 - Development Dimension (LDCs, TA/CB, S&D etc.)
- Organization and Management of Work Programme
 - Trade Negotiations Committee (TNC)
 - Mid Term Review (Cancun and Hong Kong Ministerial Conference)
 - Single Undertaking (except DSU)
 - Target Date for Conclusion: 1 January 2005 (**Missed deadlines**)
 - Negotiations open to **all** WTO Members and Observers
- What next.....?
 - **Impasse.....breakthrough at Bali?**
 - Technical work or political will?

Bali Package

PART I — REGULAR WORK UNDER THE GENERAL COUNCIL

- TRIPS Non-violation and Situation Complaints
- Work Programme on Electronic Commerce
- Work Programme on Small Economies
- Aid for Trade
- Trade and Transfer of Technology

PART II — DOHA DEVELOPMENT AGENDA

- **Trade Facilitation**
- **Agriculture**
 - General Services
 - Public Stockholding for Food Security Purposes
 - Understanding on Tariff Rate Quota Administration Provisions of Agricultural Products, as Defined in Article 2 of the Agreement on Agriculture
 - Export Competition
- **Cotton**
- **Development and LDC issues**
 - Preferential Rules of Origin for Least-Developed Countries
 - Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries
 - Duty-Free and Quota-Free Market Access for Least-Developed Countries
 - Monitoring Mechanism on Special and Differential Treatment

PART III — POST BALI WORK

WTO : Almost 20 years ..

- Entry into force 1 January 1995
- Greater transparency, predictability and non-discrimination
- Progressive improvements in market access for goods/ services
- WTO Ministerial Conferences
- Doha Development Agenda (Doha Round)
- Dispute Settlement
- Steady increase in WTO Membership

Any comments/questions?

Thank you for your kind attention!!!!

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