

## World Trade Organization (WTO)

The World Trade Organization established in 1995. It is located in Geneva, Switzerland. Ngozi Okonjo-Iweala is the Director-General of the WTO.

### Member States:

The organization has 164 members (representing 98 per cent of world trade) and 20 observers.

**Members:** Afghanistan (29 July 2016), Albania (8 September 2000), Angola (23 November 1996), Antigua and Barbuda (1 January 1995), Argentina (1 January 1995), Armenia (5 February 2003), Australia (1 January 1995), Austria (1 January 1995), Bahrain (Kingdom of) - (1 January 1995), Bangladesh (1 January 1995), Barbados (1 January 1995), Belgium (1 January 1995), Belize (1 January 1995), Benin (22 February 1996), Bolivia (Plurinational State of) - (12 September 1995), Botswana (31 May 1995), Brazil (1 January 1995), Brunei Darussalam (1 January 1995), Bulgaria (1 December 1996), Burkina Faso (3 June 1995), Burundi (23 July 1995), Cabo Verde (23 July 2008), Cambodia (13 October 2004), Cameroon (13 December 1995), Canada (1 January 1995), Central African Republic (31 May 1995), Chad (19 October 1996), Chile (1 January 1995), China (11 December 2001), Colombia (30 April 1995), Congo (27 March 1997), Costa Rica (1 January 1995), Côte d'Ivoire (1 January 1995), Croatia (30 November 2000), Cuba (20 April 1995), Cyprus (30 July 1995), Czech Republic (1 January 1995), Democratic Republic of the Congo (1 January 1997), Denmark (1 January 1995), Djibouti (31 May 1995), Dominica (1 January 1995), Dominican Republic (9 March 1995), Ecuador (21 January 1996), Egypt (30 June 1995), El Salvador (7 May 1995), Estonia (13 November 1999), Eswatini (1 January 1995), European Union (1 January 1995), Fiji (14 January 1996), Finland (1 January 1995), France (1 January 1995), Gabon (1 January 1995), Gambia (23 October 1996), Georgia (14 June 2000), Germany (1 January 1995), Ghana (1 January 1995), Greece (1 January 1995), Grenada (22 February 1996), Guatemala (21 July 1995), Guinea (20 October 1995), Guinea-Bissau (31 May 1995), Guyana (1 January 1995), Haiti (30 January 1996), Honduras (1 January 1995), Hong Kong, China (1 January 1995), Hungary (1 January 1995), Iceland (1 January 1995), India (1 January 1995), Indonesia (1 January 1995), Ireland (1 January 1995), Israel (21 April 1995), Italy (1 January 1995), Jamaica (9 March 1995), Japan (1 January 1995), Jordan (11 April 2000), Kazakhstan (30 November 2010), Kenya (1 January 1995), Korea (1 January 1995), Kuwait (1 January 1995), Kyrgyz Republic (20 December 1998), Lao People's

Democratic Republic (۲ February ۲۰۱۳), Latvia (۱۰ February ۱۹۹۹), Lesotho (۳۱ May ۱۹۹۰), Liberia (۱۴ July ۲۰۱۶), Liechtenstein (۱ September ۱۹۹۰), Lithuania (۳۱ May ۲۰۰۱), Luxembourg (۱ January ۱۹۹۰), Macao, China (۱ January ۱۹۹۰), Madagascar (۱۷ November ۱۹۹۰), Malawi (۳۱ May ۱۹۹۰), Malaysia (۱ January ۱۹۹۰), Maldives (۳۱ May ۱۹۹۰), Mali (۳۱ May ۱۹۹۰), Malta (۱ January ۱۹۹۰), Mauritania (۳۱ May ۱۹۹۰), Mauritius (۱ January ۱۹۹۰) Mexico (۱ January ۱۹۹۰), Moldova, Republic of (۲۶ July ۲۰۰۱), Mongolia (۲۹ January ۱۹۹۷), Montenegro (۲۹ April ۲۰۱۲), Morocco (۱ January ۱۹۹۰), Mozambique (۲۶ August ۱۹۹۰), Myanmar (۱ January ۱۹۹۰), Namibia (۱ January ۱۹۹۰), Nepal (۲۳ April ۲۰۰۴), Netherlands (۱ January ۱۹۹۰), New Zealand (۱ January ۱۹۹۰), Nicaragua (۳ September ۱۹۹۰), Niger (۱۳ December ۱۹۹۶), Nigeria (۱ January ۱۹۹۰), North Macedonia (۴ April ۲۰۰۳), Norway (۱ January ۱۹۹۰), Oman (۹ November ۲۰۰۰), Pakistan (۱ January ۱۹۹۰), Panama (۶ September ۱۹۹۷), Papua New Guinea (۹ June ۱۹۹۶), Paraguay (۱ January ۱۹۹۰), Peru (۱ January ۱۹۹۰), Philippines (۱ January ۱۹۹۰), Poland (۱ July ۱۹۹۰), Portugal (۱ January ۱۹۹۰), Qatar (۱۳ January ۱۹۹۶), Romania (۱ January ۱۹۹۰), Russian Federation (۲۲ August ۲۰۱۲), Rwanda (۲۲ May ۱۹۹۶), Saint Kitts and Nevis (۲۱ February ۱۹۹۶), Saint Lucia (۱ January ۱۹۹۰), Saint Vincent and the Grenadines (۱ January ۱۹۹۰), Samoa (۱۰ May ۲۰۱۲), Saudi Arabia (۱۱ December ۲۰۰۰), Senegal (۱ January ۱۹۹۰), Seychelles (۲۶ April ۲۰۱۰), Sierra Leone (۲۳ July ۱۹۹۰), Singapore (۱ January ۱۹۹۰), Slovak Republic (۱ January ۱۹۹۰), Slovenia (۳۰ July ۱۹۹۰), Solomon Islands (۲۶ July ۱۹۹۶), South Africa (۱ January ۱۹۹۰) Spain (۱ January ۱۹۹۰), Sri Lanka (۱ January ۱۹۹۰), Suriname (۱ January ۱۹۹۰), Sweden (۱ January ۱۹۹۰), Switzerland (۱ July ۱۹۹۰), Chinese Taipei (۱ January ۲۰۰۲), Tajikistan (۲ March ۲۰۱۳), Tanzania (۱ January ۱۹۹۰), Thailand (۱ January ۱۹۹۰), Togo (۳۱ May ۱۹۹۰) Tonga (۲۷ July ۲۰۰۷), Trinidad and Tobago (۱ March ۱۹۹۰), Tunisia (۲۹ March ۱۹۹۰), Türkiye (۲۶ March ۱۹۹۰), Uganda (۱ January ۱۹۹۰) Ukraine (۱۶ May ۲۰۰۸), United Arab Emirates (۱۰ April ۱۹۹۶), United Kingdom (۱ January ۱۹۹۰), United States (۱ January ۱۹۹۰), Uruguay (۱ January ۱۹۹۰), Vanuatu (۲۴ August ۲۰۱۲), Venezuela, Bolivarian Republic of (۱ January ۱۹۹۰), Viet Nam (۱۱ January ۲۰۰۷), Yemen (۲۶ June ۲۰۱۴), Zambia (۱ January ۱۹۹۰), Zimbabwe (۵ March ۱۹۹۰).

**Observers:** Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan, Bosnia and Herzegovina, Comoros, Curaçao, Equatorial Guinea, Ethiopia, Holy See, I.R. Iran, Iraq, Lebanese Republic, Libya, Sao Tomé and Principe, Serbia, Somalia, South Sudan, Sudan, Syrian Arab Republic, Timor-Leste, Turkmenistan, Uzbekistan

## **Goals:**

### Improving people's lives

The fundamental goal of the WTO is to improve the welfare of people around the world. The WTO's founding Marrakesh agreement recognizes that trade should be conducted with a view to raising standards of living, ensuring full employment, increasing real income and expanding global trade in goods and services while allowing for the optimal use of the world's resources.

### Negotiating trade rules

The WTO was born out of five decades of negotiations aimed at progressively reducing obstacles to trade. Where countries have faced trade barriers and wanted them lowered, the negotiations have helped to open markets for trade. Conversely, in some circumstances, WTO rules support maintaining trade barriers – for example, to protect consumers or the environment.

### Overseeing WTO agreements

At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations. Essentially contracts, these documents provide the rules for international commerce and bind governments to keep their trade policies within agreed limits. Their goal is to help producers of goods and services, exporters and importers conduct their business, with a view to raising standards of living, while allowing governments to meet social and environmental objectives.

### Maintaining open trade

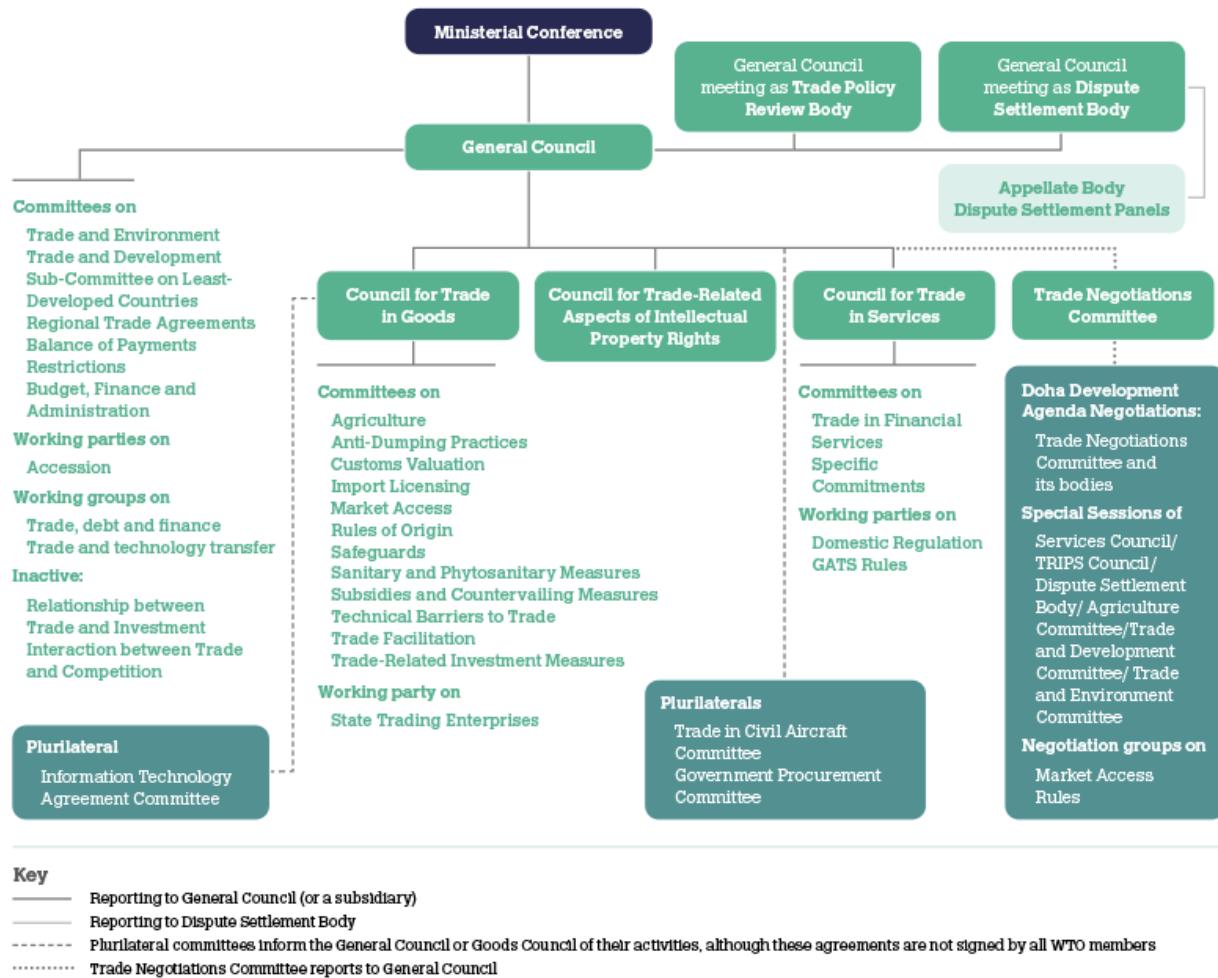
The system's overriding purpose is to help trade flow as freely as possible – provided there are no undesirable side effects – because this stimulates economic growth and employment and supports the integration of developing countries into the international trading system. Its rules have to be transparent and predictable, to ensure that individuals, companies and governments know what the trade rules are around the world, and to assure them that there will be no sudden changes of policy.

### Settling disputes

Trade relations often involve conflicting interests. Agreements, including those painstakingly negotiated in the WTO, often need interpreting. The most harmonious way to settle these differences is through a neutral procedure based on

an agreed legal foundation. That is the purpose behind the dispute settlement process written into the WTO agreements.

## WTO Bodies:



## WTO accession process:

Any state or customs territory having full autonomy in the conduct of its trade policies may become a member (“accede to”) the WTO, but all WTO members must agree on the terms. This is done through the establishment of a working party of WTO members and through a process of negotiations.



## I.R. Iran Membership Status:

Observer since 1970

## Fundamental Principles:

### Non-discrimination

A country should not discriminate between its trading partners, and it should not discriminate between its own and foreign products, services or nationals.

### Opening trade

Lowering trade barriers is an obvious way to encourage trade; these barriers include customs duties (or tariffs) and measures such as import bans or quotas, that restrict quantities selectively.

### Predictability and transparency

Foreign companies, investors and governments should be confident that trade barriers will not be raised arbitrarily. With stability and predictability, investment is encouraged, jobs are created and consumers can fully enjoy the benefits of competition – such as increased choice and lower prices.

### Fair competition

Discouraging “unfair” practices, such as export subsidies and dumping products at below normal value to gain market share; the issues are complex, and the rules try to establish what is fair or unfair, and how governments can respond, in

particular by charging additional import duties calculated to compensate for damage caused by unfair trade.

### Support for less developed countries

Over three-quarters of WTO members are developing economies or in transition to market economies. The WTO agreements give them transition periods to adjust to WTO provisions and, in the case of the Trade Facilitation Agreement, provide for practical support for implementation of the Agreement.

### Protection of the environment

The WTO agreements permit members to take measures to protect not only public, animal and plant health but also the environment. However, these measures must be applied in the same way to both national and foreign businesses: members must not use environmental protection measures as a means of introducing discriminatory trade barriers.

### Inclusion

The WTO seeks to build a more inclusive trading system that will allow more women and small businesses to participate in trade and to reap the economic benefits of global trading.

### Partnerships

The WTO maintains regular dialogue with civil society, labor unions, universities and the business community to enhance cooperation and build partnerships. The WTO's Trade Dialogues initiative and the annual Public Forum provide a platform for civil society and business groups to discuss the latest developments in world trade and to propose ways of enhancing the multilateral trading system.

### Digital trade

The WTO recognizes the growing importance of e-commerce. Periodic reviews of the WTO's work program on e-commerce are conducted by the General Council based on reports from various WTO bodies. In addition, a group of like-minded members are conducting negotiations on e-commerce, with a view to developing global digital trade rules and addressing challenges posed by the digital divide.

### **Events / Meetings / Conferences:**

## **Highest authority: The Ministerial Conference**

So, the WTO belongs to its members. The countries make their decisions through various councils and committees, whose membership consists of all WTO members. Topmost is the ministerial conference which has to meet at least once every two years. The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements.

## **Second level: General Council in three guises**

Day-to-day work in between the ministerial conferences is handled by three bodies:

- The General Council
- The Dispute Settlement Body
- The Trade Policy Review Body

## **Achievements:**

While the WTO is driven by its member states, it could not function without its Secretariat to coordinate the activities. The Secretariat employs over 1000 staff, and its experts — lawyers, economists, statisticians and communications experts — assist WTO members on a daily basis to ensure, among other things, that negotiations progress smoothly, and that the rules of international trade are correctly applied and enforced.

## **Trade negotiations**

The WTO agreements cover goods, services and intellectual property. They spell out the principles of liberalization, and the permitted exceptions. They include individual countries' commitments to lower customs tariffs and other trade barriers, and to open and keep open services markets. They set procedures for settling disputes. These agreements are not static; they are renegotiated from time to time and new agreements can be added to the package. Many are now being negotiated under the Doha Development Agenda, launched by WTO trade ministers in Doha, Qatar, in November 2001.

## **Implementation and monitoring**

WTO agreements require governments to make their trade policies transparent by notifying the WTO about laws in force and measures adopted. Various WTO councils and committees seek to ensure that these requirements are being followed

and that WTO agreements are being properly implemented. All WTO members must undergo periodic scrutiny of their trade policies and practices, each review containing reports by the country concerned and the WTO Secretariat.

### Dispute settlement

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.

### Building trade capacity

WTO agreements contain special provision for developing countries, including longer time periods to implement agreements and commitments, measures to increase their trading opportunities, and support to help them build their trade capacity, to handle disputes and to implement technical standards. The WTO organizes hundreds of technical cooperation missions to developing countries annually. It also holds numerous courses each year in Geneva for government officials. Aid for Trade aims to help developing countries develop the skills and infrastructure needed to expand their trade.

### Outreach

The WTO maintains regular dialogue with non-governmental organizations, parliamentarians, other international organizations, the media and the general public on various aspects of the WTO and the ongoing Doha negotiations, with the aim of enhancing cooperation and increasing awareness of WTO activities.

### **Functions**

- Administering WTO trade agreements
- Forum for trade negotiations
- Handling trade disputes
- Monitoring national trade policies
- Technical assistance and training for developing countries
- Cooperation with other international organizations