

WTO INTRODUCTION

The World Trade Organization (WTO) is an international organization that regulates and facilitates international trade between its member countries. It was established on January 1, 1995, and is headquartered in Geneva, Switzerland.

The WTO is responsible for negotiating and implementing trade agreements between its member countries, as well as providing a forum for trade negotiations and dispute resolution. The organization aims to promote free and fair trade by reducing trade barriers and providing a framework for international trade that is transparent, predictable, and non-discriminatory.

The WTO is made up of 164 member countries, representing over 98% of the world's trade. Each member country is required to follow the WTO's rules and regulations, which are enforced through the organization's dispute settlement system.

The WTO has been involved in a number of significant trade agreements, including the Uruguay Round, which led to the creation of the WTO, and the more recent Doha Development Agenda. The organization has also been criticized by some for its perceived lack of transparency and for its role in promoting free trade at the expense of developing countries.

Overall, the WTO plays a significant role in regulating international trade and promoting economic growth and development. While the organization has faced criticism, it remains an important forum for international trade negotiations and dispute resolution.

WTO HISTORICAL BACKGROUND

The World Trade Organization (WTO) was established on January 1, 1995, but its origins can be traced back to the aftermath of World War II. At that time, the international community recognized the need for a more structured and coordinated approach to international trade to promote economic growth and development.

In 1947, the General Agreement on Tariffs and Trade (GATT) was established as a provisional multilateral trade agreement to promote free and fair trade among its member countries. GATT focused primarily on reducing tariffs and other trade barriers, and over the years it played a key role in expanding global trade and promoting economic growth.

However, by the 1980s, the limitations of the GATT framework became increasingly apparent. Trade negotiations had become more complex, and there was a growing need for a more comprehensive and effective framework for regulating international trade.

In response to these challenges, negotiations were launched in 1986 to establish a new global trade organization to replace GATT. These negotiations culminated in the Uruguay Round of multilateral trade negotiations, which began in 1986 and concluded in 1994.

The Uruguay Round led to the creation of the World Trade Organization, which officially came into being on January 1, 1995. The WTO represented a significant improvement over GATT, providing a more comprehensive framework for regulating international trade, including new rules on trade in services and intellectual property.

Since its establishment, the WTO has played a key role in promoting global trade and economic growth, and it has been involved in a number of significant trade agreements, including the Doha

Development Agenda and the recently concluded Regional Comprehensive Economic Partnership (RCEP) agreement. However, the WTO has also faced criticism and controversy, particularly in relation to its perceived lack of transparency and the challenges it has faced in promoting free and fair trade among its member countries.

WTO ORGANS

The World Trade Organization (WTO) has several organs that work together to regulate and facilitate international trade among its member countries. The main organs of the WTO are:

1. **Ministerial Conference:** The Ministerial Conference is the highest decision-making body of the WTO. It meets at least once every two years to discuss and make decisions on trade-related issues.
2. **General Council:** The General Council is responsible for implementing the decisions of the Ministerial Conference and overseeing the work of the WTO's other organs. It meets regularly throughout the year and is composed of representatives from all member countries.
3. **Dispute Settlement Body:** The Dispute Settlement Body (DSB) is responsible for resolving disputes between member countries related to the interpretation and application of WTO agreements. The DSB is composed of representatives from all member countries and operates under a set of detailed procedures outlined in the WTO's Dispute Settlement Understanding.
4. **Trade Policy Review Body:** The Trade Policy Review Body (TPRB) is responsible for reviewing the trade policies of each member country on a regular basis. The TPRB conducts a comprehensive review of each member country's trade policies and practices every few years, with the goal of promoting transparency and improving the functioning of the multilateral trading system.
5. **Councils and Committees:** The WTO has several councils and committees that focus on specific areas of trade, such as goods, services, and intellectual property. These bodies are responsible for negotiating and implementing trade agreements in their respective areas, and for monitoring and addressing issues related to trade in these areas.

Overall, these organs work together to promote free and fair trade among member countries and to ensure that the rules and regulations governing international trade are transparent, predictable, and non-discriminatory.

WTO AND DISPUTE SETTLEMENT MECHANISM

The dispute settlement mechanism is a key feature of the World Trade Organization (WTO), which aims to promote free and fair trade among its member countries. The WTO's dispute settlement mechanism provides a forum for resolving disputes between member countries related to the interpretation and application of WTO agreements.

The dispute settlement mechanism consists of several stages, including consultations between the parties involved, the establishment of a panel to investigate the dispute, and the adoption of a final report by the panel. The WTO's Appellate Body can also hear appeals of panel reports.

One of the key advantages of the WTO's dispute settlement mechanism is that it provides a neutral and impartial forum for resolving disputes. This helps to ensure that disputes are resolved fairly and based on the rules and regulations established by the WTO.

In addition, the WTO's dispute settlement mechanism has helped to promote compliance with WTO agreements among member countries. By providing an effective mechanism for resolving disputes, the WTO has encouraged member countries to abide by the rules and regulations established by the organization.

However, the WTO's dispute settlement mechanism has also faced criticism and controversy in recent years. Some countries have raised concerns about the impartiality of the WTO's Appellate Body, and the United States has blocked the appointment of new members to the Appellate Body, leading to a backlog of cases.

Overall, the dispute settlement mechanism is an important tool for promoting free and fair trade among WTO member countries, but its effectiveness and legitimacy may depend on ongoing reforms and improvements to the system.

DISPUTE SETTLEMENT PROCEDURE IN WTO

The dispute settlement procedure in the World Trade Organization (WTO) is a multistage process designed to resolve disputes between member countries related to the interpretation and application of WTO agreements. The main steps in the dispute settlement procedure are:

1. **Consultations:** Before a dispute is brought to a panel, the parties involved are required to hold consultations with each other to try to resolve the dispute through negotiation. If the consultations are unsuccessful, the complaining party can request the establishment of a panel to investigate the dispute.
2. **Panel Proceedings:** The panel is composed of three experts in international trade law, appointed by the WTO Secretariat, and is responsible for investigating the dispute and issuing a report on its findings. The panel proceedings typically involve written submissions from both parties, as well as oral arguments and questioning during panel meetings.
3. **Appellate Body Review:** Either party can appeal the panel report to the Appellate Body, which is a standing body of seven members appointed by the WTO General Council. The Appellate Body reviews the legal issues in the case and issues a report on its findings, which is binding on the parties involved.
4. **Implementation:** Once the panel or Appellate Body report is adopted by the WTO's Dispute Settlement Body, the parties involved are expected to implement the recommendations and rulings contained in the report. If a party fails to do so, the complaining party can request authorization to impose trade sanctions or other measures to enforce compliance.

The WTO's dispute settlement procedure is intended to provide a transparent, predictable, and effective means of resolving disputes between member countries. However, the effectiveness of the

procedure has been called into question in recent years, with some members expressing concerns about the impartiality and functionality of the Appellate Body.

HOW ONE CAN BE A MEMBER IN WTO

Membership in the World Trade Organization (WTO) is open to any state or customs territory that meets the established criteria for accession. The accession process typically involves the following steps:

1. Submission of a formal application: A state or customs territory interested in joining the WTO must submit a formal application to the organization's General Council.
2. Establishment of a working party: The General Council establishes a working party to review the applicant's trade policies and negotiate the terms of its accession.
3. Negotiation of accession package: The working party negotiates an accession package with the applicant, which typically includes commitments to reduce trade barriers and comply with WTO rules and regulations.
4. Adoption of accession package: Once the accession package has been negotiated, it must be adopted by the General Council and approved by a two-thirds majority of WTO members.
5. Ratification and implementation: The applicant must then ratify the WTO agreement and implement the commitments outlined in the accession package before becoming a full member of the organization.

The process of accession to the WTO can take several years and may involve extensive negotiations on a wide range of trade-related issues. Once a country becomes a member of the WTO, it is expected to comply with the organization's rules and regulations and participate in ongoing negotiations to promote free and fair trade among member countries.

WHO CAN BE A MEMBER

Membership in the World Trade Organization (WTO) is open to any state or customs territory that is willing and able to comply with the organization's rules and regulations. In practice, this means that the WTO is open to countries at all stages of economic development, from low-income developing countries to advanced industrialized nations.

Currently, there are 164 members of the WTO, representing a diverse range of economies and political systems. Membership in the WTO is voluntary, and countries that choose to join the organization must go through a process of negotiation and ratification to become full members.

In addition to individual countries, certain regional economic integration organizations (such as the European Union) can also be members of the WTO, subject to certain conditions and procedures.

WTO AND DISPUTES

The World Trade Organization (WTO) provides a dispute settlement mechanism that allows member countries to resolve trade disputes in a structured and rules-based manner. This mechanism is one of the most important functions of the WTO and is designed to help ensure that member countries comply with their obligations under WTO agreements.

The WTO dispute settlement process is a two-stage process that involves both consultations and adjudication. The process is initiated when one member country requests consultations with another member country regarding a trade dispute. If the consultations do not lead to a resolution of the dispute, the complaining country can request the establishment of a panel to adjudicate the dispute.

The panel is composed of experts in trade and legal issues, who are appointed by the WTO Secretariat in consultation with the disputing parties. The panel examines the evidence and arguments presented by the parties and issues a report with its findings and recommendations.

If the panel finds that a WTO member country has violated its obligations under WTO agreements, the country is required to bring its measures into compliance with WTO rules. If the country fails to comply, the complaining country can request authorization from the WTO to impose trade sanctions against the violating country.

The WTO dispute settlement process is generally regarded as one of the most effective and efficient international dispute settlement mechanisms. Since the establishment of the WTO in 1995, over 600 disputes have been brought to the WTO for resolution, and the majority of these disputes have been settled through consultations or panel reports.

WTO CASES

The World Trade Organization (WTO) has resolved numerous disputes between member countries over the years. Some notable cases include:

1. **United States - Steel Import Duties:** In 2002, the United States imposed tariffs on certain steel imports, citing concerns about unfair trade practices by other countries. The European Union and other affected countries challenged these tariffs at the WTO, and a panel found that the US had violated its obligations under WTO rules. The US eventually repealed the tariffs.
2. **China - Rare Earths:** In 2012, the United States, European Union, and Japan filed a complaint against China, alleging that it was restricting exports of rare earth minerals in violation of WTO rules. A panel found in favor of the complaining parties, and China eventually removed the export restrictions.
3. **Canada - Aircraft:** In 2017, the United States filed a complaint against Canada, alleging that it was providing unfair subsidies to its aerospace industry. Canada filed a counter-complaint, alleging that the US was engaging in similar practices. The dispute was ultimately settled through negotiations, with both countries agreeing to limit certain subsidies to their respective industries.
4. **European Union - Hormone-Treated Beef:** In the 1990s, the European Union banned imports of beef from cattle treated with certain growth hormones, citing concerns about public health. The United States, Canada, and other affected countries challenged this ban at the

WTO, and a panel found that the ban was not based on scientific evidence and violated WTO rules. The European Union eventually lifted the ban.

These cases illustrate the importance of the WTO dispute settlement mechanism in resolving trade disputes between member countries and promoting the principles of free and fair trade.

WTO AND RECENT CASES

There have been several recent cases at the World Trade Organization (WTO) that have attracted attention:

1. **United States - Section 232 Measures on Steel and Aluminium:** In 2018, the United States imposed tariffs on steel and aluminum imports citing national security concerns. Several countries, including the European Union, challenged these measures at the WTO, arguing that they violated WTO rules. In 2021, a WTO panel found that the US had violated its obligations under WTO agreements, but the US has appealed the decision.
2. **United States - Tariff Measures on Certain Goods from China:** In 2018, the US imposed tariffs on a wide range of goods imported from China, citing concerns about unfair trade practices. China challenged these measures at the WTO, and a panel found that the US had violated WTO rules by imposing the tariffs without justification. The US has appealed the decision.
3. **Australia - Measures Concerning Trademarks and Geographical Indications on Wine:** In 2020, China filed a complaint against Australia, alleging that its rules on the use of certain trademarks and geographical indications on wine violated WTO rules. Australia argued that the rules were necessary to protect consumers and prevent misleading labeling. The dispute is ongoing.

These cases reflect the ongoing tensions and disagreements among WTO member countries over trade policies and practices. The WTO dispute settlement mechanism provides a forum for resolving these disputes and promoting the principles of free and fair trade, but its effectiveness is limited by the willingness of member countries to abide by its decisions.

PROBLEMS IN WTO

The WTO has faced several challenges and criticisms over the years, including:

1. **Dispute Settlement Mechanism:** The WTO's dispute settlement mechanism has been criticized for being slow and ineffective. Some countries have also ignored or challenged WTO rulings, undermining the credibility of the system.
2. **Lack of Progress on Doha Round:** The Doha Development Agenda, launched in 2001, aimed to reduce trade barriers and promote development in developing countries. However, negotiations have been slow and contentious, with little progress made on key issues such as agricultural subsidies and intellectual property rights.
3. **Imbalance in Power and Influence:** Some critics argue that the WTO is dominated by developed countries, which have greater power and influence in decision-making than

developing countries. This imbalance can make it difficult for developing countries to secure favorable trade agreements.

4. **Non-Tariff Barriers:** Some countries have turned to non-tariff barriers, such as technical regulations and sanitary and phytosanitary measures, to protect their domestic industries. These measures can be used to circumvent WTO rules and make it difficult for other countries to export their goods.
5. **Rise of Protectionism:** The recent rise of protectionism and nationalist sentiment in many countries has made it more difficult to reach multilateral agreements and promote free trade.

These challenges reflect the complex and evolving nature of global trade, and highlight the need for ongoing reform and adaptation in the WTO and other international trade organizations.

SUGGESTIONS TO IMPROVE

There have been various suggestions and proposals put forward to improve the functioning and effectiveness of the WTO. Some of these include:

1. **Reforming the Dispute Settlement Mechanism:** One proposal is to reform the WTO's dispute settlement mechanism to make it more efficient and effective, such as by reducing the time and cost of the process and strengthening compliance and enforcement mechanisms.
2. **Addressing Imbalances in Power and Influence:** Some have suggested that the WTO should take steps to address the imbalances in power and influence between developed and developing countries, such as by giving more voice and representation to developing countries.
3. **Promoting Greater Transparency:** Another proposal is to promote greater transparency and information-sharing among WTO members, such as by requiring more frequent reporting and disclosure of trade policies and practices.
4. **Modernizing Rules:** The WTO could also modernize its rules and agreements to reflect changes in the global economy, such as by addressing issues related to digital trade and intellectual property rights.
5. **Addressing Non-Tariff Barriers:** Efforts could also be made to address non-tariff barriers to trade, such as by establishing common standards and regulations and reducing the use of technical barriers to trade.

These proposals reflect the need for ongoing reform and adaptation in the WTO and other international trade organizations to promote the principles of free and fair trade and to address the evolving challenges and complexities of the global economy.

CONCLUSION TO WTO

The WTO has played a significant role in promoting international trade and economic cooperation among its member countries. Its rules-based system and dispute settlement mechanism have helped

to reduce trade barriers and increase economic integration, leading to increased economic growth and prosperity for many countries.

However, the WTO also faces various challenges and criticisms, including slow progress on negotiations, imbalance in power and influence, and the rise of protectionism. To address these challenges, ongoing reform and adaptation are needed to ensure that the WTO remains relevant and effective in promoting the principles of free and fair trade in the global economy.

Overall, the WTO is an important institution for promoting international trade and economic cooperation, and its role will continue to be crucial in facilitating economic growth and development for its member countries in the years to come.