

Tutorial Notes

Class: B.Com (Hons.) Semester III (GE3)

Subject: Planning and Economic Development

Topic: WTO Meaning, Origin, Member, Objectives, Features, Functions. (In Brief)

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Meaning of WTO

WTO – World Trade Organisation, was established in 1995 as the heir organisation to the GATT (General Agreement on Trade and Tariff). GATT was founded in 1948 with 23 nations as the global (international) trade organisation to serve all multilateral trade agreements by giving fair chances to all nations in the international exchange for trading prospects. WTO is required to build a rule-based trading government in which countries cannot place unreasonable constraints on trade.

In addition, its mission is to increase stock and trade of services, to assure maximum utilisation of world resources and to preserve the environment. The WTO deals include trade in commodities as well as services to promote international trade (bilateral and multilateral) through the elimination of the tax as well as non-tariff obstacles and implementing greater marketplace access to all member nations.

As an influential member of WTO, India is at the lead of building fair global laws, statutes and shields and supporting the concerns of the developing system. India has fulfilled its promises towards the liberalisation of trade, made in the WTO, by eliminating quantitative limitations on imports and decreasing tariff charges.

Origin	<ul style="list-style-type: none">• The WTO was founded in 1995.• It is the successor organisation to the General Agreement on Trade and Tariff (GATT).
Members	<ul style="list-style-type: none">• On 1st January 1995, 123 nations signed the agreement to replace the General Agreement on Trade and Tariff (GATT).• At present, there are 164 member countries of WTO.• 164 Members as on 29th July 2016.

	<ul style="list-style-type: none"> • Afghanistan is the 164th member of WTO. • All members are obliged to follow laws and policies framed under WTO rules.
Objectives of WTO	<ol style="list-style-type: none"> 1. To raise the standard of living in member countries. 2. Development of a multilateral trading system. 3. To reduce Tariff and Non-Tariff barrier. 4. To eliminate discriminatory treatment in international trade relationships. 5. To make coordination between trade policies, environmental policies and sustainable development
Features of WTO	<ol style="list-style-type: none"> 1. It is a much wider concept than GATT. 2. Each member has a single voting right. 3. Its member enjoys the international privilege. 4. It administers a unified package of an agreement to which all members are committed. 5. It is a forum of discussion between its member countries.
Functions of WTO:	
Facilitate international trade	<ul style="list-style-type: none"> • It facilitates international trade through the removal of tariff and non-tariff barriers. • It provides greater market access to all member countries.
Formulation of rules	<ul style="list-style-type: none"> • It establishes a rule-based trading regime, in which nations cannot place arbitrary restrictions on trade.

Protecting the interest of developing countries	<ul style="list-style-type: none">• It frames fair global rules, regulations.• It safeguards and advocates the interests of the developing world.
Optimum utilisation of world resources	<ul style="list-style-type: none">• It is also responsible to increase production and trade of services.• It ensures optimum utilisation of world resources.