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ECONOMICS

(UG Semester - 6) [MJC - 10]

WTO

OBJECTIVES OF WTO

In its preamble, the Agreement establishing the WTO lays down the following objectives of the WTO:

① Its relations in the field of trade and economic endeavour shall be conducted with a view to raising standards of living, ensuring full employment and large and steadily growing volume of real income and effective demand, and expanding the production and trade in goods and services.

② To allow for the optimal use of the world's resources in accordance with the objectives of sustainable development, seeking both

(a) to protect and preserve the environment

(b) to enhance the means for doing so in a manner consistent with respective needs and concerns at different levels of economic dev.

③ To ensure linkages between trade policies, environmental policies and sustainable development.

④ To make positive efforts designed to ensure that developing countries, especially the least developed among them, secure a share in the growth in international trade.

⑤ To achieve these objectives by entering into reciprocal and mutually advantageous arrangements directed towards substantial reduction of tariffs and other barriers to trade and the elimination of discriminatory treatment in international trade relations.

⑥ To develop an integrated, more viable and durable multilateral trading system encompassing the GATT.

Its functions :-

FUNCTIONS OF WTO :-

- ① It provides the framework for the implementation, administration and operation of the Plurilateral Trade Agreements relating to trade in civil aircraft, govt. procurement, trade in dairy products and bovine meat.
- ② It provides the forum for negotiations among its members concerning their multilateral trade relations in matters relating to the agreements and framework for the implementation of the results of such negotiations as decided by the Ministerial conference.
- ③ It administers the Understanding on Rules and Procedures governing the Settlement of Disputes of the Agreement.
- ④ It co-operates with the IMF and World Bank and its affiliated agencies with a view to achieving greater coherence in global economic policy-making.

WTO AGREEMENT :-

The Agreement establishing the WTO consists of the following :-

- ① Multilateral Agreements on Trade in Goods.
- ② General Agreements on Trade in Services
- ③ Plurilateral Trade Agreements.
- ④ Trade Policy Review Mechanism
- ⑤ Understanding on Rules and Procedures governing the Settlement of Disputes.
- ⑥ Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)