World Trade Organization (WTO)

Location: Geneva, Switzerland
Established: 1 January 1995
Created by: Uruguay Round negotiations (1986–94)
Membership: 147 countries (on 23 April 2004)
Head: Supachai Panitchpakdi (director-general)
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

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

The WTO is the successor to the General Agreement on Tariffs and Trade (GATT) established in the wake of the Second World War.

Secretariat
The WTO Secretariat, based in Geneva, has around 600 staff and is headed by a director-general. Its annual budget is roughly 160 million Swiss francs. It does not have branch offices outside Geneva. Since decisions are taken by the members themselves, the Secretariat does not have the decision-making role that other international bureaucracies are given. The Secretariat’s main duties are to supply technical support for the various councils and committees and the ministerial conferences, to provide technical assistance for developing countries, to analyze world trade, and to explain WTO affairs to the public and media. The Secretariat also provides some forms of legal assistance in the dispute settlement process and advises governments wishing to become members of the WTO.

The agreements
Tariffs
Agriculture
Standards and safety
Textiles
Services
Intellectual property
Anti-dumping
Non-tariff barriers
Plurilaterals
Trade policy reviews

Membership
All members have joined the system as a result of negotiation and therefore membership means a balance of rights and obligations. They enjoy the privileges that other member-countries give to them and the security that the trading rules provide. In return, they had to make commitments to open their markets and to abide by the rules — those commitments were the result of the membership (or “accession”) negotiations. Countries negotiating membership are WTO “observers”.

Any state or customs territory having full autonomy in the conduct of its trade policies may join (“accede to”) the WTO, but WTO members must agree on the terms. Broadly speaking the application goes through four stages:
First, “tell us about yourself”. The government applying for membership has to describe all aspects of its trade and economic policies that have a bearing on WTO agreements. This is submitted to the WTO in a memorandum which is examined by the working party dealing with the country’s application. These working parties are open to all WTO members.
Second, “work out with us individually what you have to offer”. When the working party has made sufficient progress on principles and policies, parallel bilateral talks begin between the prospective new member and individual countries. They are bilateral because different countries have different trading interests. These talks cover tariff rates and specific market access commitments, and other policies in goods and services. The new member’s commitments are to apply equally to all WTO members under normal non-discrimination rules, even though they are negotiated bilaterally. In other words, the talks determine the benefits (in the form of export opportunities and guarantees) other WTO members can expect when the new member joins.
(The talks can be highly complicated. It has been said that in some cases the negotiations are almost as large as an entire round