

Strategic Trade and protectionism - Theories and Empirics
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Lecture – 38
Structure and Functions of WTO

So, welcome friends once again to the last module last week module of NPTEL MOOC course which is titled Strategic Trade and protectionism Theory and Empirics. And we are at the verge of completion and where you know we supposed to understand the institutional role, the role of the top most institutions or the regulating body which is guiding the member countries not to have further rivalries and the institution is responsible for minimizing the trade restrictions.

So, therefore, in this regard we are supposed to understand the topmost organization which are which has been built or which was built in 1995 is none other than World Trade Organization WTO. So, to understand the strategic trade and protectionism we have already discussed many theories many empirics and many you know; many you know you know nitty gritty of world trade.

But interestingly who is guiding you know how it is being guided unless we do not understand that functions the our module of strategic trade is not complete. So, therefore, we are here on week number 8 lecture number 38 to discuss about Structure and Functions of WTO.

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Background

- the WTO is a place where member governments go, to try to sort out the trade problems they face with each other.
- the WTO's current work comes from the 1986-94 negotiations called the Uruguay Round and earlier negotiations under the General Agreement on Tariffs and Trade (GATT)
- Whereas GATT had mainly dealt with trade in goods, the WTO and its agreements now cover trade in services, and in traded inventions, creations and designs (intellectual property).

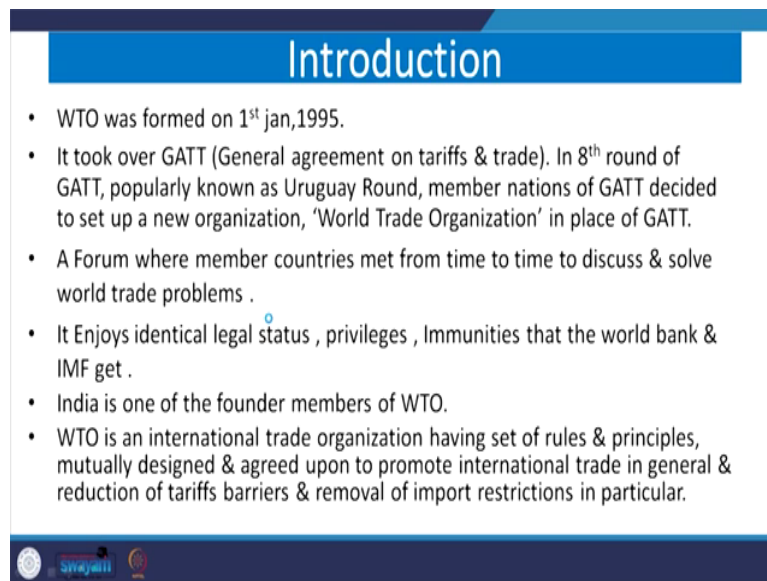
So, as the and to the background to this discussion of WTO, we need to understand that this is the platform where the trade problems get sorted out. And WTO came into being after the Uruguay Round which was actually under discussions or negotiations from the period 1986 to 1994.

And this is the, I mean the Uruguay Round which is given birth which is given birth to the formation of WTO. And so, under the ages of General Agreement on Trade and Tariffs or Tariffs and Trade. So, this was the last round of GATT to discuss on WTO and it is outcomes.

So, where as WTO mainly and dealt with trade in goods and you know and the w I mean where the GATT mainly you know deals with trade in goods, WTO and its agreements actually cover services most importantly services trade related inventions basically trades related issues trade related and intellectual property rights where the property rights its creations invention designs everything are covered under the WTO.

So, WTO as you know already that it came into being on the very 1st January 1995. And then it took over from the GATT we were all discussed in the last round of GATT was of Uruguay Round those of 8 th round popularly known as Uruguay so now based on number of negotiations which has resulted WTO in place of GATT.

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Introduction

- WTO was formed on 1st jan,1995.
- It took over GATT (General agreement on tariffs & trade). In 8th round of GATT, popularly known as Uruguay Round, member nations of GATT decided to set up a new organization, 'World Trade Organization' in place of GATT.
- A Forum where member countries met from time to time to discuss & solve world trade problems .
- It Enjoys identical legal status , privileges , Immunities that the world bank & IMF get .
- India is one of the founder members of WTO.
- WTO is an international trade organization having set of rules & principles, mutually designed & agreed upon to promote international trade in general & reduction of tariffs barriers & removal of import restrictions in particular.

Now this is a forum where the country is discussed and resolved many world trade problems from time to time. And they enjoy a legal status ah, privileges, immunities and that the World Bank and IMF get.

So, India is a founder member not just in GATT, but also in WTO. So, WTO is an international trade organization, as we are said having set of having set of rules and principles

mutually designed and agreed upon promoting internal trade in general reduction to tariff and removal of remote I mean import restrictions in particular.

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The slide features a blue header with the title "Trade Negotiations". Below the header is a white box containing a bulleted list of five points. At the bottom of the slide, there is a dark blue footer with logos for Swajathi and other entities.

Trade Negotiations

- So while the WTO is relatively young, the multilateral trading system that was originally set up under the GATT is over 70 years old.
- Merchandise exports have grown on average by 6% annually.
- Total exports in 2016 were 250 times the level of 1948.
- The system was developed through a series of trade negotiations, or rounds, held under the GATT.
- The 1986-94 round – the Uruguay Round – led to the WTO's creation.

And since we said WTO is a result of negotiations specially Uruguay Round negotiations. Therefore, we are here to also discuss multilateral trade trading systems over last 70 years old discussions. And on the count merchandise exports have actually grown on the average by 6 percent annually.

Total exports in 2016 where 250 times than the level of 1948 when the GATT it was formed. So, therefore, the role of WTO is much more important and in it you know the system was developed through a series of negotiations under different rounds 86 to 94 Uruguay Round, we have already discussed.

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Year	Place/name	Subjects covered	Countries
1947	Geneva	Tariffs	23
1949	Annecy	Tariffs	13
1951	Torquay	Tariffs	38
1956	Geneva	Tariffs	26
1960-1961	Geneva Dillon Round	Tariffs	26
1964-1967	Geneva Kennedy Round	Tariffs and anti-dumping measures	62
1973-1979	Geneva Tokyo Round	Tariffs, non-tariff measures, "framework" agreements	102
1986-1994	Geneva Uruguay	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement,	123

Now, what we wanted to say over different periods from the formation of GATT in 1947 the first very round was held in Geneva. The main purpose of those rounds were also emphasized in this table. The purpose here is tariff on the very first round then on the second and look at how many member countries are or how many countries are present 23 countries are present in discussing the issues related to tariff.

Then there are fifty first fifth round particularly discussed on the issues of tariffs and the member countries are actually very very less. From 1964 - 67, there are Geneva Round and Kennedy Round are two rounds these rounds discussed tariff as well as anti dumping measures. And from 73 to 79 round again in Geneva, the WTO headquarter is also in Geneva. So, there are two rounds again Tokyo and Geneva, they discussed also tariff, non-tariff measures and framework agreements related to various other issues.

From 86 to 94, the Uruguay Round as I said Geneva as well as Uruguay Round discussed so many aspect tariff, non-tariff rule services, intellectual property, dispute settlement this has given birth to the formation of WTO and there are 123 member countries out of that India was very much present.

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- In 1997, an agreement was reached on telecommunications services, with 69 governments agreeing to wide-ranging liberalization measures that went beyond those agreed in the Uruguay Round.
- In the same year, 40 governments successfully concluded negotiations for tariff-free trade in information technology products, and
- 70 members concluded a financial services deal covering more than 95% of trade in banking, insurance, securities and financial information.
- In 2000, new talks started on agriculture and services.
- These were incorporated into a broader work programme, the Doha Development Agenda, launched at the fourth WTO Ministerial Conference in Doha, Qatar, in November 2001. (DDA)

So in 1997, so agreement was actually reached particularly on telecommunication services, with 69 governments agreeing to wide ranging liberalization measures that went beyond those agreed in the Uruguay Round. So, it was on telecommunications specially in 1997.

Then in that same year, 40 government successfully concluded negotiations for tariff free trade in information technology products. So, IT related products a another 40 governments

successfully negotiated. 70 members again concluded financial services deal covering more than 95 percent related to banking securities, insurance and financial for information.

So, in 2000 new talks started especially on agriculture and service related issues. So, therefore these were you know incorporated into a broader framework and placed in the Doha Development Round famously known as DDA. So, DDA is one of the famous aspects and among different negotiations of WTO.

So, this was launched at the fourth WTO ministerial conference we will discuss what is ministerial conference held in Doha, Qatar so in November 2001. Now, I mean I have listed all the details for your better preparation for you know understanding concept therefore I did not make it too short.

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- The new work programme included negotiations and other work on non- agricultural tariffs, trade and the environment, WTO rules on anti-dumping and subsidies, trade facilitation, transparency in government procurement, intellectual property and a range of issues raised by developing economies as difficulties they face in implementing WTO agreements.
- A revised Government Procurement Agreement – adopted at the WTO's 8th Ministerial Conference in 2011 – expanded the coverage of the original agreement by an estimated US\$ 100 billion a year.
- At the 9th Ministerial Conference in Bali in 2013, WTO members struck the Agreement on Trade Facilitation, which aims to reduce border delays by slashing red tape.
- The expansion of the Information Technology Agreement – concluded at the 10th Ministerial Conference in Nairobi in 2015 – eliminated tariffs on an additional 200 IT products valued at over US\$ 1.3 trillion per year.
- Another outcome of the Conference was a decision to abolish agricultural export subsidies, fulfilling one of the key targets of the UN Sustainable Development Goal on "Zero hunger".
- Most recently, an amendment to the WTO's Intellectual Property Agreement entered into force in 2017, easing poor economies' access to affordable medicines.

The slide footer contains logos for the Ministry of Education, Higher Education, and Scientific Research, and the number 7.

And so, the new framework actually talks about non agriculture tariffs, trade the environment actually WTO I mean rules and regulation related to anti-dumping and subsidies and facilitations on trade especially transparency of government procurement, procedures, intellectual property and the gamut of other issues pertinent to developing countries as they face time to time as per the WTO agreements.

As if I is Government Procurement Agreement adopted WTO's 8th Ministerial Conference in 2011. So, now, we are discussing you know the WTO Ministerial Conference not the GATT Ministerial Conferences. So, which has expanded the coverage of the original agreements by an estimated 100 and 100 you know US billion dollar a year.

So, now I mean that was the figure taken from World Trade Organizations at the 9th Ministerial Conference, which was held in Bali 2013, WTO member struck the agreement on Trade Facilitation, which aims to reduce border delays by slashing red tape prism.

Red tapes are massively you know identified by different member countries and you know therefore these were also discuss in it is you know 10th Ministerial Conference on it is 9th in Ministerial Conference.

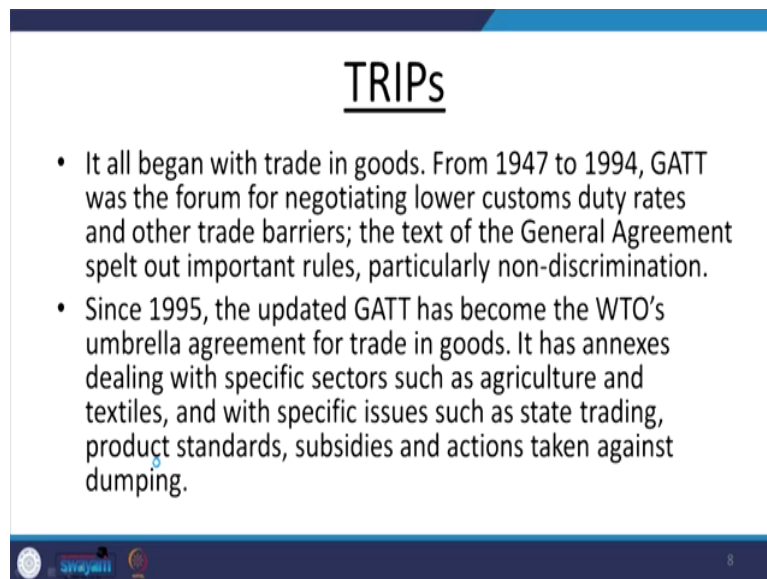
So now, on the 10th Ministerial Conference which was held in Nairobi in 2015 which eliminated tariffs on an additional 200 IT products specially mentioned so at over you know 1.3 trillion US dollar for year.

And another outcome of the conference of the Bali was on abolishing you know agricultural export subsidies. See the focus over the time in the recent negotiation on nama non I mean sorry on agriculture products related to subsidies, which has fulfilled one of the key targets of the United Nations National Development goals on "Zero hunger". Zero hunger was discussed which is the target of the United Nations sustainable development goals SDGs.

So, therefore SDGs is also part of the framework of WTO negotiations. Therefore WTO has been considered the holistic you know platform to deal with not just on trade also on many

developmental challenges. And you know most recently on there are certain amendments to WTO intellectual property agreements, which was came into being came into force in 2017, especially on easing poor economies access to affordable medicines. Now related to medicines, it is has been discussed in the recent agreements.

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The slide is titled "TRIPs" in a large, bold, black font. Below the title, there are two bullet points. The first bullet point states: "It all began with trade in goods. From 1947 to 1994, GATT was the forum for negotiating lower customs duty rates and other trade barriers; the text of the General Agreement spelt out important rules, particularly non-discrimination." The second bullet point states: "Since 1995, the updated GATT has become the WTO's umbrella agreement for trade in goods. It has annexes dealing with specific sectors such as agriculture and textiles, and with specific issues such as state trading, product standards, subsidies and actions taken against dumping." At the bottom of the slide, there is a dark blue footer bar containing the Swayam logo on the left and the number "8" on the right.

We will discuss what do we mean by agreements what do we mean by ministerial conferences so in detail. Now TRIPs as I said Trade Related Intellectual Property rights is one of the purviews of WTO. And you know it was not part of the discussion on the GATT. So, it began with trade in goods.

Specially I mean from GATT it was not good still 1994 and specially lowering customs duty rates and trade barriers on goods. But particularly the text related to I mean rules and

non-discrimination are actually taken off specially after 1995, but non-discrimination and input and roles were largely discuss related to goods only under GATT, we have discussed already.

Now from GATT, so the under the ages of WTO agreements, a number of trades specific trades issues related to state trading, product standards, subsidies, action taken against dumping were also taken off. Especially, standards those are taken off as part of TRIPs. And specially, most importantly all those details are written only because this is a kind of note for everyone. IP, intellectual property agreements amounts to rules of trade and investment in ideas specially ideas in creativity.

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The slide features a blue header with the title 'TRIPs' in white. Below the title is a bulleted list of intellectual property categories: 'The WTO's intellectual property agreement amounts to rules for trade and investment in ideas and creativity. The rules state how copyrights, patents, trademarks, geographical names used to identify products, industrial designs, integrated circuit layout designs and undisclosed information such as trade secrets — "intellectual property" — should be protected when trade is involved. In Nutshell, the TRIPs Agreement covers 7 categories of intellectual property.' The text is annotated with red underlines and a red bracket on the right side. At the bottom right, the phrase 'Rules of Origin' is written in red cursive. The slide footer includes a logo on the left and the number '9' on the right.

TRIPs

- The WTO's intellectual property agreement amounts to rules for trade and investment in ideas and creativity. The rules state how copyrights, patents, trademarks, geographical names used to identify products, industrial designs, integrated circuit layout designs and undisclosed information such as trade secrets — "intellectual property" — should be protected when trade is involved. In Nutshell, the TRIPs Agreement covers 7 categories of intellectual property.

Rules of Origin

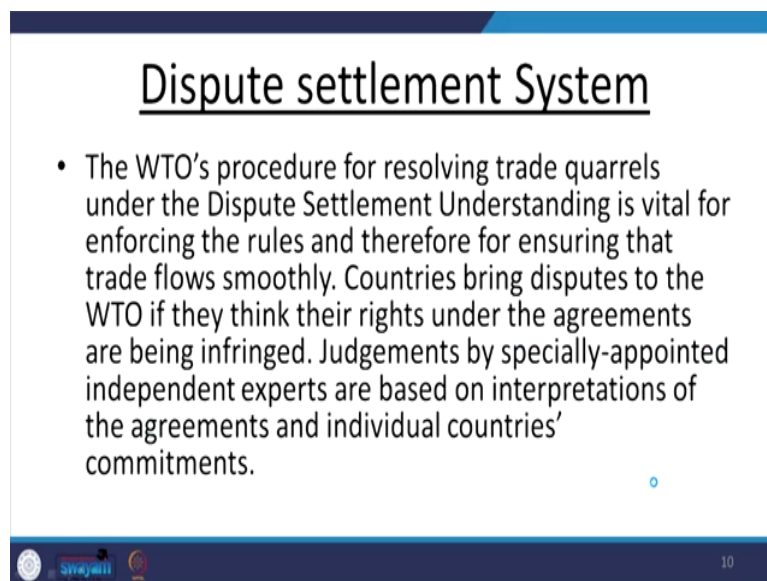
We will also discuss a case study, how Bangladesh actually impose a complain under WTO, specially utilizing TRIPs rules to against India for a movie and its song on that movie called

you know movie named as Murder. So, which was release and we will discuss in the next class.

So, the rules pertaining to copyrights, patents, trademarks, geographical names used to identify products, industrial designs, integrated circuit layout I mean circuit layout designs on disclosed information such as trade secrets. So, trade secrets is highly discussed over different rounds specially called “intellectual property”. So, should be protected as a trade goals.

And in Nutshell TRIPs agreement covers 7 categories of intellectual property related issues. And therefore, this is this is very very important part of our discussion.

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Dispute settlement System

- 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.

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Now, another most important action of WTO is on dispute settlement system. So, and in the previous one we discussed 7 categories of intellectual property and many a times rules of

origins are emphasized rules of origins which is very difficult to count we will discuss in our you know subsequent slides.

So, countries you know often you know counter various forms of disputes and so therefore, the body under WTO gives judgments and then they are specially appointed independent experts and based on interpretations and agreements and individual countries' commitment towards different agreements. We will discuss also.

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The slide features a dark blue header with the title 'TPRM' in white, underlined text. Below the title is a white background with a blue border. A single bullet point is centered on the slide, describing the purpose of the Trade Policy Review Mechanism. The text includes underlines for 'transparency', 'understanding of the policies that countries are adopting', and 'assess their impact'. A handwritten red note 'MRTP' is written below the bullet point. At the bottom of the slide, there is a dark blue footer containing logos for 'Swayam' and '11'.

TPRM

- The Trade Policy Review Mechanism's purpose is to improve transparency, to create a greater understanding of the policies that countries are adopting, and to assess their impact. Many members also see the reviews as constructive feedback on their policies. *MRTP*

Now, here we are discussing you know Trade Policy Review Mechanism, TPRM. The purpose is to improve transparency and create greater understanding of the policies so that monopolies you know should be restricted. So MRTP monopolistic to trade practices has been actually the matter of contention under TPRM.

Now, all WTO member must undergo periodic scrutiny and each review containing repose by the country consonant and the WTO secretariat. So, let us understand what are the structure of WTO we must know it you know to have a better understanding of WTO and it is functions. So, WTO till the date there are 164 member countries and which is accounting for 98 percent of the world trade.

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Structure of WTO

- World Trade Organization: The WTO has 164 members, accounting for 98% of world trade. A total of 22 countries are negotiating membership.
- The WTO was born out of the General Agreement on Tariffs and Trade (GATT).
- Headquarters : Geneva, Switzerland
- Formation : 1 January 1995
- Membership : 164 members since 29 July 2016
- Decisions are made by the entire membership. This is typically by consensus
- A majority vote is also possible but it has never been used in the WTO
- The WTO's top level decision- making body is the Ministerial Conference, which meets usually every two years.
- Below this is the General Council (normally ambassadors and heads of delegation based in Geneva but sometimes officials sent from members' capitals) which meets several times a year in the Geneva headquarters.
- The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body.
- At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

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So, therefore, only 2 percent of the countries are not included a total of 22 countries are negotiating members not yet granted a full membership. Now due to various norms attached with WTO you know preambles. So, we have already discussed headquarter in Geneva, formation was in 1 st January 1995, 164 even till the date it is you know 164 member countries.

So, decisions are made by the entire members. This is typically by consensus. So, majority vote is not is also a majority vote is also possible, but it has never been used in WTO it has never been used just based on majority vote rather it is based on consensus decisions or with the negotiations.

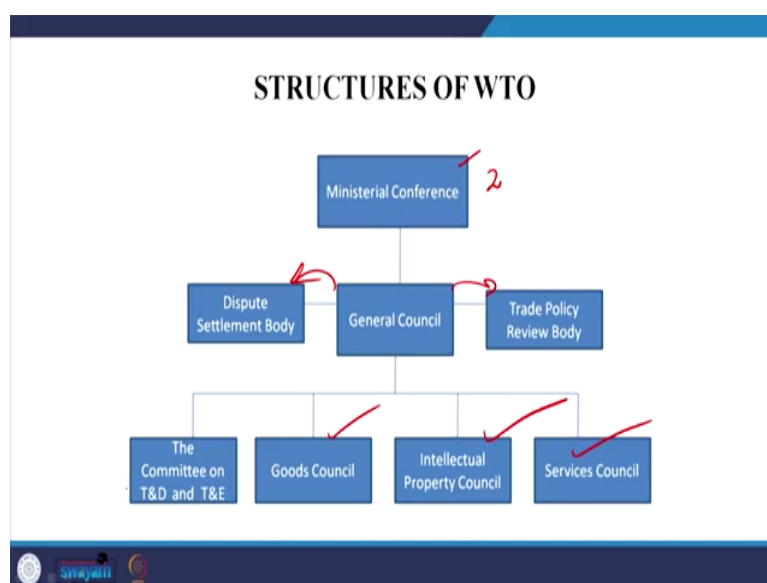
So, the top level body which is now called a top level relative of WTO is called Ministerial Conferences which meets usually every two years meets I mean usually in every two years. So, below this the Ministerial Conference the apex body of WTO they are called General Council, normally consists of ambassadors heads of delegation based on Geneva and sometimes official sent from members' capitals.

So, like for example, Delhi is our capital and is nominating members to be represented in the General Council. Otherwise our ambassadors are also part of the General Council which meets several times in a year where as the Ministerial Conference and its meetings are held you know in every two years.

So, again the usual they meet take place for the General Council is in Geneva head quarter. So, General Council also meets the Trade Policy Review Body TPRB and the Dispute Settlement Body in order to discuss the disputes raised by a different member countries.

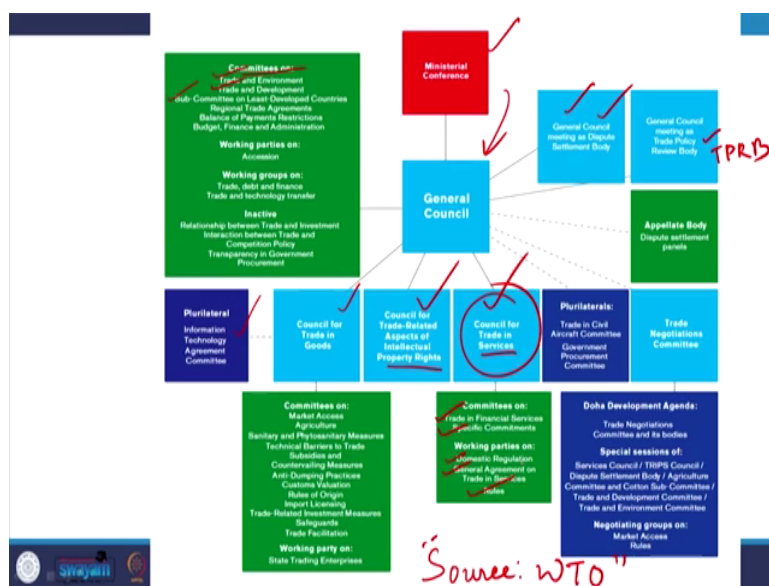
And the next level after the General Council is called goods council or services council and intellectual property councils. There are three important you know next channels goods council, service services councils and IPR TRIPs council which is report to the General Council, they report you know their decisions to the General Council.

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So, this is all about the structure. Ministerial Conference once in 2 years, then at least I mean several times in a year. So therefore, this is called General Council. General Council consists of majorly of Trade Policy Related Review and Dispute Settlement Body under this General Council again we have you know a Goods Council, Services Council, Intellectual Property and another one is also called T and D or you know T and E we will discuss these in detail.

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So, this is the complete mapping of the structure of WTO, which has been taken from source is WTO only WTO website. So, this is the standard source and here we have written as you know Ministerial Conference then General Council under General Council dispute you know settlement bodies there then here it is trade council for goods and plurilateral.

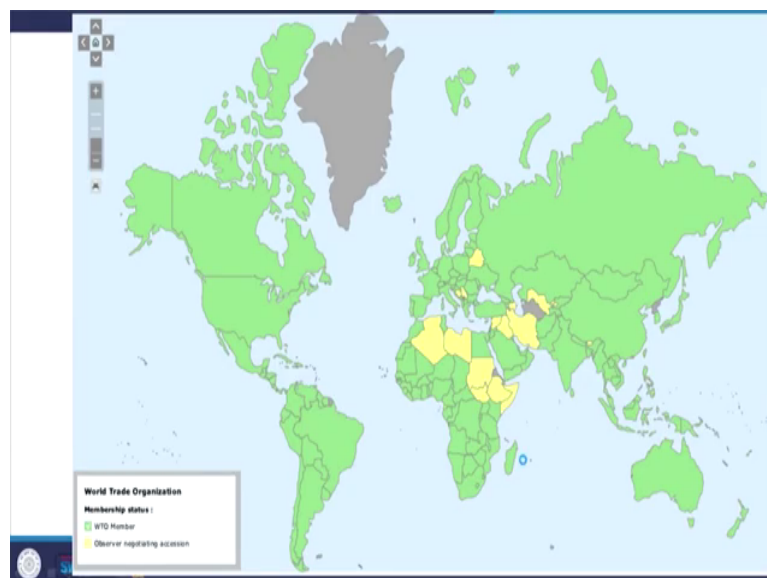
I mean again related to you know plurilateral you know to IT agreement to goods. Then this is intellectual property this is for services. Then again under those bodies we will have another part is called General Council meeting as Trade Policy Review Body, TPRB. This is one, this is second, this is third, this is fourth, this is fifth most important part.

And under General Council there are let me read out since there are so many you know points given it is the point is very very little and you can go through the slide and find out on your own. Let me read out some of the important aspect. This committee is consisting of Trade and

Environment, Trade and Development Sub-Committee on Least Developed Countries, Trade Regional Trade Agreements RTAs, Balance of Payment Restrictions, Budget, Finance Administration.

Working parties are also there. So, other you may follow it off. So, let me also point out suppose we take off the discussion for services. Now, it is the committee on discussing trade in financial services specific commitments working parties on domestic regulations general agreements on trade in services and rules related to services. Similarly, we may follow certain answers related to other heads. We have already discussed.

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Now, as I already mentioned 84. So, 98 percent of the world trade explain by the member countries and in there are 164 countries the. So, the here in highlighted in green color are the

member countries where in highlighted in yellow color are the observer countries who are in the negotiation process they are in the process of accession so, not yet granted.

Now, those are in other colors they are no longer not related member. Now here you can see Ethiopia is here, Libya some of the African countries are not yet member of the WTO. Otherwise all of other many countries are actually the member countries. Now if you go through the WTO website you will find the details of the non-member countries in for your better understanding.

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Now, let us discuss something on the issues which are discussed which are important for discussion under WTO. So, here this is the website of WTO here are the trade topics under these are divided like this; like this ok. So, goods as I mentioned goods services then intellectual property then dispute settlement. These are the four you know four important

pillars of activities or topics discussed. Then also RTA related issues Regional Trading Agreements.

Specially emphasis was given on Doha Development Agenda, DDA because of many coverages has been given trade monitoring and more topics are discussed. Most importantly under the goods antidumping agriculture issues are discussed largely in different rounds. Then also IT related agreements are given customs evaluations are made, balance of payment discussions are made.

So, far as other goods related discussions are rules of origin where we are emphasizing you know intellectual property rights issues. So, therefore, there will be disputes. So, dispute settlements are also discussed as we have already taken off our discussion in the earlier lectures on many measures obtained by member countries for countering or the to have their better trade specially on the count of SPS and TBTS, sanitary and phytosanitary measures.

So, technical barriers to trade is given and these links are given in the WTO website if you just click on any of the topic you will find detailed discussion therefore WTO website is must. Now services especially I-TIP services I have already discussed this is the database containing all kind of harmonized standard you know codes which of data of the member countries you can you know collect it for further analysis.

Now, so the rest of the discussion you may follow it and you know are also important for understanding and specially on dispute settlement aspect we must actually think about issues of intellectual property specially there is dispute settlement body and appellate body which gives you know they are verdict from time to time and we will discuss a case study on this.

We will also talk about preferential trading agreements regional trading agreements as part of plurilateral agenda as part of multinationalism or regionalism which is actually undermining the manipulation of products. So, these are very very important aspects should be taken off for further understanding.

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Figure 1: The basic structure of the WTO agreements

<i>Umbrella</i>	AGREEMENT ESTABLISHING THE WTO		
	Goods	Services	Intellectual property
<i>Basic principles</i>	GATT	GATS	TRIPS
<i>Additional details</i>	Other goods agreements and annexes	Services annexes	
<i>Market access commitments</i>	Countries' schedules of commitments	Countries' schedules of commitments (and MFN exemptions)	
<i>Dispute settlement</i>	DISPUTE SETTLEMENT		
<i>Transparency</i>	TRADE POLICY REVIEWS		

Now, in order to understand WTO again on detail the basic structure of the WTO is on certain principles, certain details, certain market related issues, transparency and dispute settlement. And so goods majorly was discussed in you know GATT. So GATT so, I actually discussed from WTO formation of WTO. So, as we discussed earlier this you know TRIPs is also part of the WTO and these are various agreements which establish you know WTO.

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For goods (under GATT)	
Agriculture	
Regulations for food safety, animal and plant health protection (SPS)	
Textiles and clothing	
Technical regulations and standards for products (technical barriers to trade)	
Trade-related investment measures	
Anti-dumping measures	
Customs valuations methods	
Pre-shipment inspection	
Rules of origin	
Import licensing	
Subsidies and countervailing measures	
Safeguards	

For services (the GATS annexes)	
Movement of natural persons	
Air transport	
Financial services	
Shipping	
Telecommunications	

For goods specially, we have already discussed though about rules of origin is very important import licensing safeguarding then agriculture is agriculture SPS TBT. And for services specially air transport, financial services, shipping telecommunications are important channels by which WTO members settle their discussions.

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WTO Vs GATT	
GATT	WTO
<ul style="list-style-type: none">• It was ad hoc & provisional.• It had no provision for creating an organization.• It allowed contradictions in local law & GATT agreements.	<ul style="list-style-type: none">• It is permanent.• It has legal basis because member nations have verified the WTO agreements.• More authority than GATT.• It doesn't allow any contradictions in local law .

So, let us have a comparison between WTO and GATT. The GATT was an ad hoc and provisional arrangement for negotiation but whereas WTO is a permanent institution and the body that regulates the trade flows and many other issues.

So, whereas GATT has no provision for creating organizations but it has certainly and in member nations have verified the WTO agreements. GATT allowed contradictions in local law and GATT agreements whereas more authority it has a more authoritative power than GATT. And in WTO, it does not allow any contradictions in local law because they have derived the harmonization or the standardized you know issues or codes.

So, therefore what are the objectives of WTO the primary objective is to implement the new trading agreements promote multilateral trade and a free trade also. So, that free trade and by

abolishing trade and non-tariff barriers then this could actually help in enhancing competitiveness among the member countries that largely benefited benefit consumers.

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OBJECTIVES OF WTO

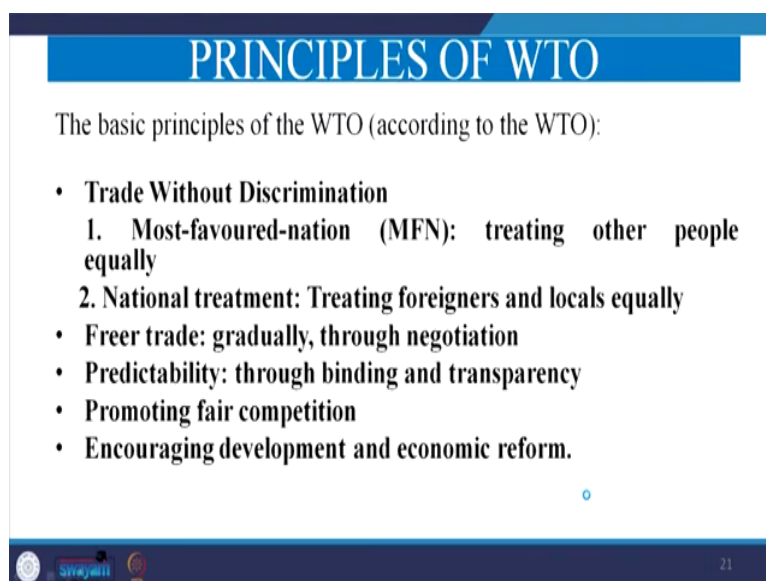
- The primary aim of WTO is to implement the new world trade agreement.
- To promote multilateral trade .
- To promote free trade by abolishing tariff & non-tariff barriers.
- To enhance competitiveness among all trading partners so as to benefit consumers.
- To increase the level of production & productivity with a view to increase the level of employment in the world.
- To expand & utilise world resources in the most optimum manner.
- To improve the level of living for the global population & speed up economic development of the member nations.
- To take special steps for the development of poorest nations. ◦

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So, thereby it also enhance productivity of the producers and increase the level of employment in the world and then it facilitates you know flow of labor and utilize therefore utilize world resources in a most optimum manner. And in WTO objective is also to have better living standard of the population of its member countries and speed of development of the member countries.

And so as therefore to take special steps you know in many of it is agreements to deal with the challenge of poor nations because they are cut off from the main stream. And so therefore, we have already discussed the objectives are based on certain principles.

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PRINCIPLES OF WTO

The basic principles of the WTO (according to the WTO):

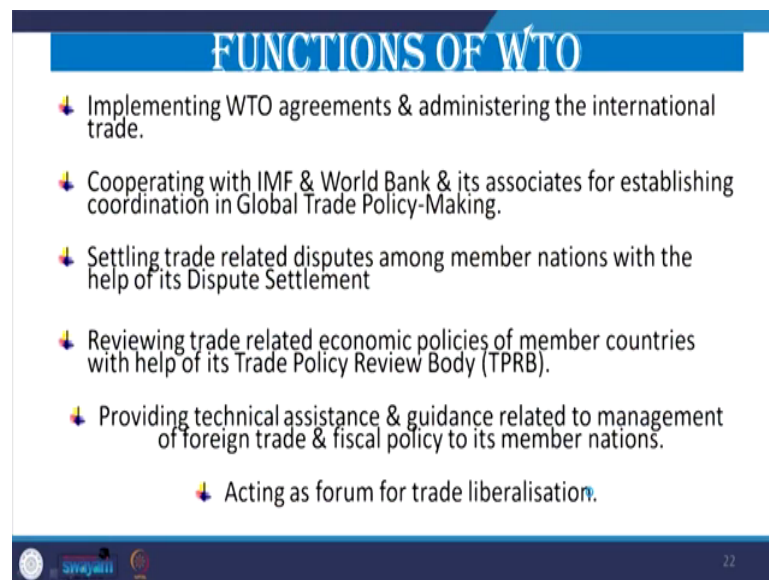
- **Trade Without Discrimination**
 1. **Most-favoured-nation (MFN):** treating other people equally
 2. **National treatment:** Treating foreigners and locals equally
- **Freer trade:** gradually, through negotiation
- **Predictability:** through binding and transparency
- **Promoting fair competition**
- **Encouraging development and economic reform.**

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So, largely it is said the principles are non discriminatory principles then MFN nation status. If this says if you are granting special MFN you know duties to a nation you have to treat these status to all the member countries. Therefore, the basic principle of WTO is an MFN, so treating all the people equally.

And national treatment as well as foreign treatment and freer trade so. And predictability through binding and transparency is a clause promoting fair competition, encouraging development and economic reform. So, these are various ways by which the principles are actually followed. So, functions are we have already discussed but anyway it is through it is agreement through ministerial you know conferences and through it is General Council.

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FUNCTIONS OF WTO

- Implementing WTO agreements & administering the international trade.
- Cooperating with IMF & World Bank & its associates for establishing coordination in Global Trade Policy-Making.
- Settling trade related disputes among member nations with the help of its Dispute Settlement
- Reviewing trade related economic policies of member countries with help of its Trade Policy Review Body (TPRB).
- Providing technical assistance & guidance related to management of foreign trade & fiscal policy to its member nations.
- Acting as forum for trade liberalisation.

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And it used to cooperate IMF and the World Bank and its associates in you know establishing coordination in Global Trade Making. And so, also it the function most importantly on settling the disputes and TPRB, as I already mentioned Trade Related Policy Board is very important in you know settling economic policies I review the policies from time to time. And also it helps in managing foreign trade policies and fiscal policies of the member nations.

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The slide features a blue header with the text "Scope of WTO". Below the header, a white box contains a bulleted list of four items. At the bottom of the slide, there is a dark blue footer containing logos for "swayam" and "MOE" on the left, and the number "23" on the right.

Scope of WTO

- Trade in Goods.
- Trade Related Intellectual Property Rights (TRIPs).
- Trade Related Investments Measures (TRIMs).
- General Agreement on Trade in Services. (GATS).

So, this is a forum for trade liberalization. Therefore, these are the scope we have already discussed. Scope are measured in goods, services, intellectual property and investment measure TRIMs.

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Argument in Favour of WTO

- Increase in foreign trade.
- Increase in agricultural exports.
- Increase in inflow of foreign investment.
- Improvement in services.
- Benefits for clothing & textile industry.
- Inflow of better technology & better quality products.
- Benefits of multilateral trade system.
- Benefits of using quality seeds & new varieties of plants.
- Restricts dumping.

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So, argument in favor we have already discussed. I am not emphasizing, these are repetitive and accordingly we find many ways. And specially I will mention dumping, textile clothing, agriculture most importantly and there are many other you know aspects.

So therefore, you know in this particular lecture we discussed many aspects functions, objective, principles different bodies of WTO different different you know targets of WTO. Then we have also differentiate GATT and WTO different rounds of GATT as well as the different Ministerial Conference or WTO.

We have already discussed. Now with this we could able to understand WTO functions carefully. So, in the next lecture we will unfold the discussion of certain cases certain disputes

in the bodies of a WTO among the member countries and we will find out India's position under WTO framework.

With these I think I should stop here, we will carry forward in the next class.

Thank you.