**WTO Structure:**

The WTO has nearly 153 members accounting for over 97% of world trade. Around 30 others are negotiating membership. 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 and was extremely rare under the WTO’s predecessor, GATT. The WTO’s agreements have been ratified in all members’ parliaments.

The WTO’s top level decision-making body is the Ministerial Conferences which meets at least once in every two years. Below this is the General Council (normally ambassadors and heads of delegation 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 Disputes Settlement Body.

At the next level, the Goods Council, Services Council and Intellectual Property (TRIPs) Council report to the General Council. Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as, the environment, development, membership applications and regional trade agreements.

**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 the role that other international bureaucracies are given.

The secretariat s main duties 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.

**Objectives:**

**The important objectives of WTO are:**

1. To improve the standard of living of people in the member countries.

2. To ensure full employment and broad increase in effective demand.

3. To enlarge production and trade of goods.

4. To increase the trade of services.

5. To ensure optimum utilization of world resources.

6. To protect the environment.

7. To accept the concept of sustainable development.

**Functions:**

The main functions of WTO are discussed below:

1. To implement rules and provisions related to trade policy review mechanism.

2. To provide a platform to member countries to decide future strategies related to trade and tariff.

3. To provide facilities for implementation, administration and operation of multilateral and bilateral agreements of the world trade.

4. To administer the rules and processes related to dispute settlement.

5. To ensure the optimum use of world resources.

6. To assist international organizations such as, IMF and IBRD for establishing coherence in Universal Economic Policy determination.

**WTO Agreements:**

The WTO’s rule and the agreements are the result of negotiations between the members. The current sets were the outcome to the 1986-93 Uruguay Round negotiations which included a major revision of the original General Agreement on Tariffs and Trade (GATI).

GATT is now the WTO’s principal rule-book for trade in goods. The Uruguay Round also created new rules for dealing with trade in services, relevant aspects of intellectual property, dispute settlement and trade policy reviews.

The complete set runs to some 30,000 pages consisting of about 30 agreements and separate commitments (called schedules) made by individual members in specific areas such as, lower customs duty rates and services market-opening.

Through these agreements, WTO members operate a non-discriminatory trading system that spells out their rights and their obligations. Each country receives guarantees that its exports will be treated fairly and consistently in other countries’ markets. Each country promises to do the same for imports into its own market. The system also gives developing countries some flexibility in implementing their commitments.

**(a) Goods:**

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-discriminations 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 action taken against dumping.

**(b) Services:**

Banks, insurance firms, telecommunication companies, tour operators, hotel chains and transport companies looking to do business abroad can now enjoy the same principles of free and fair that originally only applied to trade in goods.

These principles appear in the new General Agreement on Trade in Services (GATS). WTO members have also made individual commitments under GATS stating which of their services sectors, they are willing to open for foreign competition and how open those markets are.

**(c) Intellectual Property:**

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.

**(d) Dispute Settlement:**

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. Judgments by specially appointed independent experts are based on interpretations of the agreements and individual countries’ commitments.

The system encourages countries to settle their differences through consultation. Failing that, they can follow a carefully mapped out, stage-by-stage procedure that includes the possibility of the ruling by a panel of experts and the chance to appeal the ruling on legal grounds.

Confidence in the system is bourne out by the number of cases brought to the WTO, around 300 cases in eight years compared to the 300 disputes dealt with during the entire life of GATT (1947-94).

**(e) Policy Review:**

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.

All WTO members must undergo periodic scrutiny, each review containing reports by the country concerned and the WTO Secretariat.

**BASIC PRINCIPLES OF THE WTO**

* **National Treatment**
* **Most-Favored-Nation Treatment**
* **Transparency**
* **Due Process of Law**

1. **National Treatment**

National treatment is regarded as one of the cornerstones of the WTO. Especially relevant to our purpose here is Article III.4 of the GATT 1994, which requires national treatment with respect to all laws, regulations, and requirements affecting the internal sale, offering for sale, purchase, transportation, distribution, or use of imported goods.6 Similarly, national treatment is provided for in Article XVII of the GATS7 and Article Three of the TRIPs Agreement. However, with regard to the GATS, national treatment is not an automatic requirement, but is contingent on the concession of a Member making liberalization commitments in trade in services. Provisions for national treatment are also found in the TBT Agreement, the Agreement on the Application of Sanitary and Phytosanitary measures (“SPS Agreement”) and the Agreement on Government Procurement. The principle of national treatment is meant to maintain a competitive equality between domestic products and enterprises, on the one hand, and those of other Members, on the other. Although the application of the national treatment principle varies according to whether it applies to trade in goods, trade in services, or intellectual property.8 National treatment is meant to establish a level playing field between domestic and foreign products and enterprises. The scope of “laws, regulations and requirements” in Article III.4 of the GATT 1994 has been interpreted broadly to include any laws and regulations which might adversely modify the conditions of competition between domestic and imported products in the internal market.9It is noteworthy that Article VIII of the GATS requires Members to ensure that any monopoly supplier of a service in its territory, in the supply of the monopoly service in the relevant market, neither acts in a manner inconsistent with that member’s specific commitments nor abuses its monopoly position to act in other markets in a manner inconsistent with commitments. This provision is somewhat similar to “abuse control” exercised by domestic competition law authorities in some countries.

1. **Most-Favored-Nation Treatment**

The Most Favored Nation (“MFN”) principle requires that a Member accord goods and services of another Member treatment no less favorable than that it accords to goods and services of all other Members. This principle also applies in the area of intellectual property. This principle is designed to guarantee equal competitive conditions between goods and services of different foreign members. It applies universally with regard to the GATT 1994, the GATS, and the TRIPs Agreement, although the GATS allows a Member to attach a reservation to this principle and exclude its application in part or in whole. MFN treatment is provided for in Article I of the GATT 1994, Article II of the GATS and Article 4 of the TRIPs Agreement. Like the principle of national treatment, equality of competitive conditions is broadly interpreted. In the Bananas case, for example, the Panel and the Appellate Body held that Article II of the GATS should be given a wide scope.

1. **Transparency**

The two-part requirement of transparency is also a cornerstone of the WTO. The first part is the obligation imposed on Members of the WTO to publish or make publicly available all relevant regulations before application, the requirement of impartial administration of such regulations and the right to review decisions taken under them. The second part is the requirement that Members give notice of governmental actions to the WTO and other Members. The principle of transparency is provided for in Article X of the GATT 1994, Article III of the GATS and Article Sixty-three of the TRIPs Agreement. Provisions of transparency are included in many other WTO Agreements in Annex 1A. This principle serves as the basis for a rule-oriented foreign trade policy and for maintaining stability and predictability of the trade law regulations of Members.

1. **Due Process of Law**

The requirement of transparent governmental processes is an important part of the concept of due process of law. A closely related principle is the procedural due process principle present in the WTO’s dispute settlement procedures. The procedures for dispute settlement at the WTO are provided for in the Understanding on the Rules and Procedures Governing the Settlement of Disputes (“DSU”).12 Provisions in the DSU are generally designed to establish due process in the enforcement of the WTO Agreements. Especially significant is Article Eleven of the DSU, which provides that “a panel should make an objective assessment of the matter before it, including an objective assessment of the facts of the case and applicability of and conformity with the relevant covered agreements.”Although no similar provision exists for the Appellate Body, the same due process requirement applies to its procedures.