

World Trade Organisation (WTO) - Case Study

The World Trade Organisation (WTO) is the only body that works globally on trade between nations. It regulates and facilitates trade between countries. The core purpose of WTO is to make things easy for the producer of goods and services and importers and exporters carrying their business. The problem identified in the existing agreement on patents, tariff, subsidies, trade and agriculture indicate that the developing countries are waking up to the need to ensure that India has to take the lead in ensuring that the WTO regime is used to maximum advantage to protect the interests of developing countries. World Trade Organization should provide the equality policies and resolution among the membership countries and not divide the developed countries' products, and developing countries' products in international market level. Better understanding and agreements have to be negotiated for better prosperity.

WTO is a joint venture of USA and European unions. The two components of WTO are Trade Related Investment Measures (TRIM) and Trade Related Intellectual Property Rights (TRIP); Of late, there has been a furore in Indian Politics as well as in industries about the future role of Multinational Companies in Indian economic development in the light of the Agreements on TRIMs embodied in the Final Act of Uruguay Round of multilateral trade negotiations. The effects and consequences of globalization are very much felt in recent years. The functions of WTO are Administering WTO trade agreements, Forum for trade negotiations, Handling trade disputes, monitoring national trade policies, technical assistance and training for developing countries and Cooperation with other international organization. The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. They deal with: agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property, and much more.

The World Trade Organization is an International Organization that supervises the rules by which sovereign independent nations trade with each other. The rules are framed through consensus by negotiations between member countries. Memberships of WTO impose certain obligations on all the countries but it also provides protection against unfair practices, particularly from the richer countries. In the absence of international rules of the game, the developing countries like India would be at the mercy of the rich developed countries. Being a member of WTO, India would secure many concessions, as China has recently made to the USA and to Europe so as to gain their approval for its membership. India need not fear that foreign investors will swamp the Indian economy and dominate it; this fear is misplaced and creates deleterious atmosphere not desirable to India at this stage.

Answer the following questions:

- 1. What are the problems identified in the existing agreement of WTO for developing countries?**
- 2. What are two components of WTO?**
- 3. Identify the functions of WTO.**
- 4. Mention the important activities deal with WTO.**
- 5. Write your conclusion about WTO.**