

## THE LAW OF THE WORLD TRADE ORGANIZATION <sup>i</sup>

**The World Trade Organization (WTO)**, established on 1 January 1995, is the legal and institutional foundation of the multilateral trading system. It provides the principal contractual obligations determining how governments frame and implement domestic trade legislation and regulations.

**The main functions of the WTO are** to administer and implement the multilateral and plurilateral trade agreements which together make up the WTO. These agreements set the legal ground-rules for international commerce. Essentially, they are contracts, guaranteeing member countries important trade rights. They also bind governments to keep their trade policies within agreed limits.

**Other functions of the WTO are** to act as a forum for multilateral trade negotiations; seeking to resolve trade disputes; overseeing national trade policies; and cooperating with other international institutions involved in global economic policy-making.

**The WTO agreements cover goods, services and intellectual property.** They set out rules on the principles of liberalization, and the permitted exceptions and individual countries' commitments to lower customs tariffs and ease non-tariff trade barriers.

The following are major agreements under WTO;

1. **The General Agreement on Tariffs and Trade (GATT):** GATT is the WTO's umbrella agreement for trade in goods. Through this agreement, WTO members operate a non-discriminatory trading system that establishes their rights and their obligations. Each country receives guarantees that its exports will be treated fairly and consistently in other countries' markets.
2. **General Agreement on Trade in Services (GATS):** Through GATS, companies, banks, firms, etc.; looking to do business abroad can now enjoy the same principles of freer and fairer trade that originally only applied to trade in goods. WTO members have also made individual commitments under GATS stating which of their services sectors they are willing to open to foreign competition, and how open those markets are.
3. **Trade-Related Aspects of Intellectual Property Rights (TRIPS):** The WTO's intellectual property agreement amounts to rules that states 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.
4. **The Agreement on Technical Barriers to Trade (TBT):** TBT tries to ensure that regulations, standards, testing and certification procedures do not create unnecessary obstacles, while also providing members with the right to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or the environment.

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<sup>i</sup> For details please visit WTO website; <http://www.wto.org/index.htm>