Introduction to the World Trade Organization (WTO)

ESTIMATED TIME: 2 hours

OBJECTIVES OF MODULE 1

To introduce:

- the historical background of the WTO;
- the objectives, functions, and organizational structure of the WTO;
- the decision-making in the WTO;
- the process of accession of new Members to the WTO;
- the ongoing Doha Round of negotiations; and,
- the WTO Agreements.
I. INTRODUCTION TO THE WTO

I.A. WHAT IS "WTO"?

IN BRIEF

WTO is the acronym for World Trade Organization. The WTO came into being in 1995 and was created after the culmination of long intense negotiations which took place under the auspices of the General Agreement on Tariffs and Trade (GATT).

AN ORGANIZATION FOR TRADE LIBERALIZATION

The WTO is an organization for liberalizing trade. Trade liberalization is the main approach that the WTO has adopted to help Member countries achieve economic growth and raise living standards. However, the WTO recognizes Members' right to maintain trade barriers, subject to the conditions provided in the WTO Agreements. Such trade barriers are considered to serve legitimate objectives, such as the protection of human, animal or plant life or health or the protection of consumers. In so doing, a balance is struck between trade liberalization and the flexibility Members need to meet their policy objectives.

A FORUM FOR TRADE NEGOTIATIONS

The WTO provides a multilateral forum for Member governments to negotiate rules of international trade. Thus, the WTO was born out of negotiations and everything the WTO does is the result of negotiations. The WTO is currently host to new negotiations under the Doha Development Agenda (DDA) launched in 2001.

A SET OF INTERNATIONAL TRADE RULES

These rules are contained in the WTO Agreements which were signed by the bulk of the world's trading nations and have binding effects on them. Thus, the WTO Agreements lay down the legal ground rules for international commerce between WTO Members. They cover trade in goods, trade in services and trade-related aspects of intellectual property rights (TRIPS). However, it is important to note that the WTO Agreements constitute an international agreement, as such, bind only states and separate customs territories.

A PLACE FOR SETTLING TRADE DISPUTES

The WTO is also a place for settling trade disputes between Member countries. The WTO's procedure for resolving trade disputes is vital for enforcing the rules and for ensuring that trade flows smoothly.
Who can be Members of the WTO?

International organizations are normally made up of sovereign states, that is also the case for the WTO. The vast majority of WTO Members are states; however, also separate customs territories that meet certain requirements can become Members of the WTO (see section on Accession).

According to their level of development, WTO Members are grouped as "developed country Members" or "developing country Members". In addition, some developing country Members are "least-developed countries" (LDCs). As you will study in Module 9, the provisions applicable to developing country Members apply to LDC Members, but LDC Members enjoy additional rights.

To find a list of the WTO Members, please refer to:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

I.B. PRINCIPLES OF THE WTO

MOST-FAVOURED-NATION (MFN) PRINCIPLE: TREATING FOREIGNERS EQUALLY

Under the WTO Agreements, a country should not discriminate between its trading parties. According to the MFN principle, any advantage, favour, privilege or immunity granted by a Member to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product of all Members.

The MFN principle is one of the cornerstones of the WTO. It is embodied in Article I of the GATT 1994 which will be studied in Module 2, Article II of the General Agreement on Trade in Services (GATS) and Article 4 of the TRIPS Agreement, which will be studied in Modules 6 and 7, respectively. However, as we will see, in each Agreement the principle is applied slightly different.

NATIONAL TREATMENT PRINCIPLE: TREATING FOREIGNERS AND LOCALS EQUALLY

Within national territory, WTO Members cannot favour domestic products over imported products (Article III of the GATT 1994). The principle of national treatment also applies, with some differences, to trade in services (Article XVII of the GATS) and intellectual property protection (Article 3 of the TRIPS Agreement). The national treatment principle will be explained in Modules 2 (Goods), 6 (GATS) and 7 (TRIPS).

GENERAL PROHIBITION OF QUANTITATIVE RESTRICTIONS (QRS)

As you will study in Module 3, WTO Members cannot prohibit, restrict or limit the quantity of products authorized for importation or exportation (Article XI of the GATT 1994), subject to limited exceptions. This principle does not apply in this way in the context of the GATS and the TRIPS.
OBSERVANCE OF BINDING LEVELS OF TARIFF CONCESSIONS (GOODS) AND OF SPECIFIC COMMITMENTS (SERVICES)

Minimum market access conditions are guaranteed by commitments undertaken by Members regarding customs duties (tariff concessions for goods - Article II of the GATT 1994) and market access for the supply of services (specific commitments - Article XVI of the GATS). They will be explained in detailed in Modules 3 (Goods) and 6 (GATS).

TRANSPARENCY

It is fundamentally important that regulations and policies are transparent. For example, as you will study in different Modules, WTO Members are required to inform the WTO and fellow-Members of specific measures, policies or laws through regular "notifications". In addition, the WTO conducts periodic reviews of individual Members’ trade policies through the Trade Policy Review Mechanism (TPRM), which will be introduced in Module 10.
Why free trade?

The economic case for an open trading system based on multilaterally agreed rules not only rests on commercial common sense, but it is also supported by evidence: the experience of world trade and economic growth since the Second World War. During the first 25 years after the war, world economic growth averaged about five per cent per year, a high rate that was partly the result of lower trade barriers. World trade grew even faster, averaging about 8 per cent during this period.

The data show a statistical link between freer trade and economic growth. Economic theory points to strong reasons for the link. All countries, including the poorest, have assets — human, industrial, natural, financial — which they can employ to produce goods and services for their domestic markets or to compete overseas. Economics tells us that we can benefit when these goods and services are traded. Simply put, the principle of "comparative advantage" says that countries prosper first by taking advantage of their assets in order to concentrate on what they can produce best, and then by trading these products for products that other countries produce best. In other words, liberal trade policies — policies that allow the unrestricted flow of goods and services — sharpen competition, motivate innovation and breed success.

The principle of comparative advantage, which dates back to classical economist David Ricardo, is the most powerful and widely accepted economic theory underlying the case for open trade. To illustrate this, let's first look at a simple case - a case of absolute advantage. Suppose country A is better than country B at making wines, and country B is better than country A at making bicycles. Thus, it would be an obvious case that each country will specialize in the products that it can produce most efficiently and then trade their products. In this scenario, country A will concentrate on the production of wines and import bicycles from country B while country B will concentrate on the production of bicycles and import wines from country A.

But what if a country is bad at making everything? Can countries still benefit from trade? According to Ricardo's Principle of "Comparative Advantage", the answer is yes.

Let's change the scenario a bit and assume that country A is better than country B in making both products - wines and bicycles. Let's further assume that country A is much more superior at making wines and only slightly superior at making bicycles. Then country A should still invest resources in what it does best — producing wines — and export the product to B. B should still invest in what it does best — making bicycles — and export that product to A, even if it is not as efficient as A. Both would still benefit from the trade. A country does not have to be best at anything to gain from trade.
II. HISTORICAL BACKGROUND OF THE WTO: FROM THE GATT TO THE WTO

While legally distinct from the GATT, you will see that the WTO and the GATT are inter-related.

II.A. WHAT IS THE GATT?

IN BRIEF

The GATT is an international trade agreement concluded in 1947. It contains rules and obligations that governed trade in goods for almost fifty years between its "CONTRACTING PARTIES". From 1948 to 1994, before the WTO was created, the GATT provided the legal framework for the bulk of world trade.

The negotiation of the GATT dates back to the 1940’s. It was part of the post-war project to reconstruct a multilateral system of world trade through the elimination of discrimination, the reduction of tariffs and the dismantlement of other trade barriers. The initial objective was to create an International Trade Organization (the ITO) to handle the trade side of international economic cooperation, which was meant to join the two "Bretton Woods' institutions, the World Bank and the International Monetary Fund (IMF).

The project went on two tracks: (1) drafting a Charter for an International Trade Organization (the ITO); and, (2) launching tariff negotiations on a multilateral basis.

The GATT was never intended to be an international organization but only to be a subsidiary agreement under the ITO Charter. Nevertheless, the ITO did not materialize and the GATT came into force by means of a Provisional Protocol, signed on 30 October 1947 and effective since 1 January 1948. The signatory countries to the Protocol agreed to apply the provisions contained in the GATT until the ITO could take over its administration. Hence, for 47 years, the GATT served as a de facto international organization, taking up some of the functions originally intended for the ITO.

The GATT developed rules for a multilateral trading system (MTS) through a series of trade negotiations or rounds. From 1947 to 1994, the GATT CONTRACTING PARTIES organized eight rounds of negotiations. The early rounds dealt mainly with tariff reductions on goods, but later rounds included other areas, such as, anti-dumping and non-tariff barriers.

The last round lasted from 1986 to 1994 and is generally known as the "Uruguay Round", which led to the creation of the WTO in 1994. The Uruguay Round brought about the biggest reform to the world trading system since the GATT was established. Since 1995, the WTO has performed the role of an international organization for trade rules. The table below lists the rounds, the subjects covered and the number of contracting parties that participated in each one, respectively.
## ROUNDS OF TRADE NEGOTIATIONS UNDER THE AUSPICIES OF THE GATT

<table>
<thead>
<tr>
<th>Year</th>
<th>Place/Name</th>
<th>Subjects Covered</th>
<th>Parties</th>
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<tbody>
<tr>
<td>1947</td>
<td>Geneva</td>
<td>Tariffs</td>
<td>23</td>
</tr>
<tr>
<td>1949</td>
<td>Annecy</td>
<td>Tariffs</td>
<td>13</td>
</tr>
<tr>
<td>1951</td>
<td>Torquay</td>
<td>Tariffs</td>
<td>38</td>
</tr>
<tr>
<td>1956</td>
<td>Geneva</td>
<td>Tariffs</td>
<td>26</td>
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<tr>
<td>1960-1961</td>
<td>Geneva, Dillon Round</td>
<td>Tariffs</td>
<td>26</td>
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<tr>
<td></td>
<td></td>
<td>- first negotiations on non-tariff barriers;</td>
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<td></td>
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<td>- creation of plurilateral codes; and</td>
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<td>- creation of the Enabling Clause – i.e. the “Decision on Differential and More</td>
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<td></td>
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<td>Favourable Treatment, Reciprocity and Fuller Participation of Developing</td>
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<td></td>
<td></td>
<td>Countries”.</td>
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<td>It supplemented the Generalized System of Preferences (GSP) which was adopted</td>
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<td>before the Tokyo Round in 1971 and extended further and differential</td>
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<td>treatment and more favourable treatment in favour of developing countries.</td>
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<tr>
<td>1986-1994</td>
<td>Geneva, Uruguay Round</td>
<td>Tariffs, non-tariff measures, rules, services, TRIPS, dispute settlement, textiles,</td>
<td>123</td>
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<td></td>
<td></td>
<td>agriculture, creation of WTO, etc.</td>
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</tbody>
</table>

Table 1: Rounds of trade negotiations under the auspices of the GATT
Participants in the **Uruguay Round** concluded the Round by adopting the *Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations* ("the Final Act"). After the Final Act follows the *Marrakesh Agreement Establishing the World Trade Organization* ("the Agreement Establishing the WTO") and its four Annexes, which will be introduced below (See Section V.H. "Overview of the WTO Agreements"). The **GATT** still exists as the WTO's treaty for trade in goods. The Agreement Establishing the WTO and its Annexes will be referred to as "the WTO Agreements" in this course.
III. OBJECTIVES OF THE WTO

IN BRIEF

In the Preamble to the Agreement Establishing the WTO, the parties to the Agreement recognize the objectives they wish to attain through the MTS:

- raise living standards;
- ensure full employment;
- ensure a large and steadily growing volume of real income and effective demand; and,
- expand the production of and trade in, goods and services, while allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development.

The Agreement also recognizes the need for “positive efforts to ensure that developing countries, and especially the least-developed among them, secure a share in the growth in international trade commensurate with ... their economic development”.

The Preamble to the Agreement Establishing the WTO encapsulates its objectives. It declares:

Preamble to the Agreement Establishing the WTO

The Parties to this Agreement

Recognizing that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living ensuring full employment and a large and steadily growing volume of real income and effective demand and expanding the production of and trade in goods and services while allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development

Recognizing further that there is need for positive efforts designed to ensure that developing countries and especially the least developed among them secure a share in the growth in international trade commensurate with the needs of their economic development. Being desirous of contributing to these objectives by entering into reciprocal and mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade and to the elimination of discriminatory treatment in international trade relations..

The objectives of the WTO are not fundamentally different from those contained in the Preamble to the GATT 1947. In this way, it recognizes the importance of continuity with the previous GATT system. It is noteworthy that although the objectives of the WTO do not mention trade liberalization as the means to establish free-trade between Members, the drafters considered "substantial reduction of tariffs and other barriers to trade and the elimination of discriminatory treatment in international trade relations" as important steps to
achieving such objectives. Trade expansion is thus not seen as an end in itself, but as an instrument to promote growth and development.

The WTO adds three new dimensions to the objectives in the Preamble of the GATT 1947, including:

<table>
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<th>Three New Dimensions in the Preamble to the Agreement Establishing the WTO</th>
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<td>- the expansion of &quot;the production of and trade in goods and services&quot; to take into consideration the extension of the coverage of the WTO subject matters. While the GATT covered only trade in goods, under the WTO coverage was expanded to another subject area – trade in services (see the GATS Agreement);</td>
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<td>- &quot;the objective of sustainable development&quot; seeking both to protect and preserve the environment and to enhance the means for doing so&quot;; and,</td>
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<td>- the &quot;development dimension&quot; aiming at helping &quot;developing countries and especially the least-developed among them secure a share in the growth in international trade commensurate with the needs of their economic development&quot;.</td>
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The Preamble to the Agreement Establishing the WTO provides an important legal basis for the interpretation of the WTO Agreements.
IV. FUNCTIONS OF THE WTO

IN BRIEF

The WTO fulfils its objective by:
- administering the trade agreements between its Members;
- serving as a forum for trade negotiations;
- settling international trade disputes among its Members;
- reviewing Members' trade policies;
- ensuring greater coherence in global economic policy-making, including cooperating with the IMF and the World Bank; and,
- provide technical assistance (TA) to developing country Members.

Article III of the Agreement Establishing the WTO explains the functions of the WTO. These include:

IV.A. ADMINISTRATION OF THE WTO AGREEMENTS

The WTO Agreements lay down the legal ground rules for international commerce and codes of conduct for WTO Members. Thus, the first function of the WTO is to facilitate the implementation, administration and operation, and further the objectives of these Agreements.

IV.B. FORUM FOR NEGOTIATIONS

The WTO provides a permanent institutional forum for multilateral negotiation and cooperation on trade-related policies among its Members. Although the WTO is specifically charged with providing the forum for negotiations on matters already covered by the WTO Agreements, negotiations under the auspices of the WTO may be extended to "new issues" to be disciplined by WTO Agreements.

IV.C. SETTLEMENT OF TRADE DISPUTES

The WTO also acts as a forum for the settlement of trade disputes between its Members in accordance with the disciplines and procedures elaborated in the Dispute Settlement Understanding (DSU) (the DSU, found in Annex 2 to the Agreement Establishing the WTO).

A dispute arises when a Member country believes another Member is acting in a manner that is inconsistent with its WTO commitments and considers that any benefits accruing to it directly or indirectly under the WTO Agreements are being impaired by measures taken by such Member. When Members are unable to reach a mutually agreed solution to a dispute arising under one of the WTO covered Agreements, they may seek
recourse to the WTO dispute settlement mechanism. We will study the WTO dispute settlement mechanism in Module 10.

IV.D. SURVEILLANCE OF NATIONAL TRADE POLICIES

This function underscores the role of the WTO in the transparency mechanism designed by Members during the Uruguay Round. All WTO Members are subject to review under the Trade Policy Review Mechanism (TPRM) and the frequency of each country’s review varies according to its share of world trade. The regular surveillance of national trade policies through the TPRM provides a means of encouraging transparency both domestically and at the multilateral level.

The reviews take place in the Trade Policy Review Body which is actually the WTO General Council — comprising the WTO’s full membership — operating under special rules and procedures. The reviews are therefore essentially peer-group assessments. We will further explain the TPRM in Module 10.

IV.E. COORDINATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS

This function identifies the "coherence mandate" as one of the objectives of the WTO. Cooperation with the IMF and the World Bank, as well as their affiliated agencies, is essential since it is an important factor that WTO Members need to consider when they enter into negotiations to design an international regulatory framework with regard to economic policy. Cooperation with other international organizations would allow the WTO to achieve "greater coherence in global economic policymaking".

Article V of the Agreement Establishing the WTO also lays down rules for the WTO to establish "effective cooperation with other intergovernmental organizations that have responsibilities related to those of the WTO" and the possibility for the WTO to consult and cooperate "with non-governmental organizations concerned with matters related to those of the WTO".

IV.F. TECHNICAL ASSISTANCE (TA)

In Doha Ministerial, in November 2001, Members confirmed that technical cooperation and capacity building are core elements of the development dimension of the multilateral trading system. They instructed the Secretariat, in coordination with other relevant agencies, to support domestic efforts for mainstreaming trade into national plans for economic development and strategies for poverty reduction (Doha Ministerial Declaration, paragraph 38).

The delivery of WTO technical assistance shall be designed to assist developing and least-developed countries and low-income countries in transition to adjust to WTO rules and disciplines, implement obligations and exercise the rights of membership, including drawing on the benefits of an open, rule-based MTS.
<table>
<thead>
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<th>EXERCISES</th>
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<tbody>
<tr>
<td>1. What is the relationship between the ITO and the GATT?</td>
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<tr>
<td>2. What does the Preamble of the Agreement Establishing the WTO provide and why is it important?</td>
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<td>3. What are the objectives of the WTO?</td>
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<td>4. What are the main functions of the WTO?</td>
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<td>5. Please briefly explain the WTO's function as a forum for trade negotiations.</td>
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<td>6. What is &quot;coherence mandate&quot;? Where is it provided in the Agreement Establishing the WTO? What is the main reason that the Agreement Establishing the WTO lays down &quot;coherence mandate&quot; for the WTO?</td>
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<td>7. In which round of trade negotiations was services first included in the MTS?</td>
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</table>
V. ORGANIZATIONAL STRUCTURE OF THE WTO

The WTO is a member-driven organization. WTO Members established a working structure for the WTO to allow them to monitor the implementation and the development of the WTO. All WTO Members may participate in all Councils, Committees, Bodies, except Appellate Body, Dispute Settlement panels, Textiles Monitoring Body, and plurilateral committees. The WTO Secretariat is made up of international officers and its main task is to supply technical support for the various councils and committees.

Figure 1: Organizational Structure of the WTO
IN BRIEF

The Ministerial Conference is the topmost decision making body in the WTO. It is composed by representatives of all WTO Members and shall meet at least once every two years. The Ministerial Conference may take decisions on all matters under all multilateral WTO Agreements, in accordance with the decision-making procedures contained in the Agreement Establishing the WTO.

The second tier in the decision-making structure of the WTO is the General Council, which is also formed by representatives of all Member countries, usually Ambassadors or Permanent Representatives, based in Geneva. It adopts decisions on behalf of the Ministerial Conference on all WTO affairs when the Conference is not in session. It also meets as the Trade Policy Review Body (TPRB) and the Dispute Settlement Body (DSB).

In the third level are three subsidiary councils – Council for Trade in Goods (Goods Council), Council for Trade in Service (GATS Council) and Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS Council) -, which operate under the general guidance of the General Council and are responsible for the workings of the WTO Agreements dealing with their respective areas of trade. They consist of all WTO Members and have subsidiary bodies.

Finally, the Secretariat of the WTO headed by a Director-General appointed by the Ministerial Conference has no decision making powers. Its main duties include, among others, to supply technical support for the various councils and committees, to provide TA to developing countries and to provide legal assistance in the dispute settlement process. Contrary to the WTO Bodies explained above, the WTO Secretariat is integrated by international officers who cannot seek or accept instructions from any government or any other authority external to the WTO in the discharge of their duties.

V.A. THE MINISTERIAL CONFERENCE

As mentioned above, the Ministerial Conference is the topmost decision-making body in the WTO. It is composed by representatives of all WTO Members and shall meet at least once every two years. The Ministerial Conference may take decisions on all matters under all multilateral trade agreements, in accordance with the decision-making procedures contained in the Agreement Establishing the WTO.

The chronology of sessions of the Ministerial Conference is as follows:

V.A.1. SINGAPORE MINISTERIAL - DECEMBER 1996 /FIRST SESSION/ SINGAPORE

During the First WTO Ministerial Conference, which took place in Singapore in December 1996, Ministers adopted the Singapore Ministerial Declaration (WT/MIN(96)/DEC) and reinforced their commitment to abide by WTO rules in their trade relations.
Ministers decided to start exploratory talks on four topics, which came to be called “the Singapore Issues”:

- trade and investment;
- trade and competition policy;
- trade facilitation; and,
- transparency in government procurement.

Ministers also adopted a comprehensive and integrated **WTO Plan of Action for the Least-Developed Countries (LDCs)** that became the basis for a coordinated effort to facilitate the integration of LDCs into the world economy. This plan of action was followed by a high-level meeting organized by the WTO in collaboration with the United Nations Conference for Trade and Development (UNCTAD), the International Trade Centre (ITC), the World Bank, the United Nations’ Development Programme (UNDP) and the IMF on assistance to LDCs, which took place in 1997 and led to the establishment of the **Enhanced Integrated Framework (EIF)**.

Furthermore, a **plurilateral Ministerial Declaration on Trade in Information Technology Products** (referred to as the ITA initiative - **WT/MIN(96)/16**) was also adopted by certain Members with a view to expand trade in IT products. This resulted in unilateral decisions by the parties to improve market access for these products (on an MFN basis).

**V.A.2. GENEVA MINISTERIAL - MAY 1998 / SECOND SESSION / SWITZERLAND**

During the Second WTO Ministerial Conference, which took place in Geneva in May 1998, Ministers adopted a **Ministerial Declaration** (**WT/MIN(98)/DEC**) that underlined the importance of the multilateral rule-based trading system, celebrated the 50th Anniversary of the GATT and reaffirmed the commitments and assessments made in Singapore.

Ministers also adopted a **Declaration on Global Electronic Commerce** (**WT/MIN(98)/DEC/2**). This declaration launched the discussions on a comprehensive work programme to examine all trade-related global electronic commerce issues. Ministers also undertook to continue the practice of not imposing customs duties on electronic transactions.

**V.A.3. SEATTLE MINISTERIAL - NOVEMBER-DECEMBER 1999 / THIRD SESSION / UNITED STATES OF AMERICA**

At the Third WTO Ministerial Conference, which took place in Seattle in December 1999, **Ministers did not reach an agreement to adopt any Decision or Declaration**.

**V.A.4. DOHA MINISTERIAL - NOVEMBER 2001 /FOURTH SESSION / QATAR**

At the **Fourth Ministerial Conference**, which took place in Doha in November 2001, Ministers agreed to launch new negotiations and to work on other issues, in particular the implementation of the present WTO
Agreements. They adopted a Ministerial Declaration (WT/MIN(01)/DEC/1 "Doha Declaration") that launched the "Doha Development Agenda" (DDA), which contains a work programme listing 21 subjects for negotiations. All these subjects being negotiated form part of a "single undertaking", which in practical terms means "nothing is agreed until everything is agreed" (explained in Section V.H.2.1). The negotiations currently take place in the Trade Negotiation Committee and its subsidiaries. Other work under the work programme takes place in other WTO Councils and Committees.

a. Main Issues Contained in Doha Declaration

1. BUILT-IN AGENDA AND NEW ISSUES

The work programme contained in the Doha Ministerial Declaration includes the following subjects:

- implementation-related issues and concerns (paragraph 12);
- agriculture (paragraphs 13 and 14);
- services (paragraph 15);
- market access for non-agricultural products (NAMA) (paragraph 16);
- trade-related aspects of intellectual property rights (paragraphs 17 to 19);
- relationship between trade and investment (paragraphs 20 to 22, one of the Singapore Issues);
- interaction between trade and competition policy (paragraphs 23 to 25, one of the Singapore Issues);
- transparency in government procurement (paragraph 26 – one of the Singapore Issues);
- trade facilitation (paragraph 27; one of the Singapore Issues);
- WTO rules: anti-dumping measures, subsidies and countervailing measures and regional trade agreements (RTAs) (paragraphs 28 and 29);
- Dispute Settlement Understanding (DSU) (paragraph 30);
- trade and environment (paragraphs 31 to 33);
- electronic commerce (paragraph 34); and,
- other issues (small economies (paragraph 35); trade, debt and finance (paragraph 36); trade and transfer of technology (paragraph 37); TA and capacity-building (paragraph 38); LDCs (paragraph 42 and 43); special and differential treatment (paragraph 44).
2. DEVELOPING COUNTRIES

Ministers stressed the importance of ensuring that developing countries, and especially the least-developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development (paragraphs 2 and 3). Several mandates were set out in the Doha Declaration to achieve this objective. They include:

- examine the issue related to trade and technology transfer so as to increase flows of technology to developing countries (paragraph 37);
- to ensure that WTO TA and capacity-building programmes are designed to assist developing countries, LDCs and low-income countries in transition to adjust to WTO rules (paragraphs 38 to 41);
- commit to the objective of duty-free, quota-free market access for products originating from LDCs and to consider additional measure for progressive improvements in market access for LDCs (paragraphs 42 and 43); and,
- to review all special and differential treatment provisions which give developing countries special rights so as to strengthen them and make them more precise (paragraph 44).

3. IMPLEMENTATION-RELATED ISSUES AND CONCERNS

Ministers approved a Decision related to the difficulties particularly developing country Members face in implementing several provisions contained in the WTO Agreements. In Doha, Ministers agreed to adopt around 50 decisions clarifying the obligations of developing country Members with respect to issues including agriculture, subsidies, technical barriers to trade (TBT), trade-related investment measures (TRIMS) and rules of origin. These implementation-related issues and concerns were spelt out in paragraph 12 of the Doha Declaration itself, a separate Ministerial "Decision on Implementation-Related Issues and Concerns" (WT/MIN(01)/17) and a "Compilation of Outstanding Implementation Issues Raised by Members" (JOB(01)/152/Rev.1).

The Ministers established a two-track approach. Those issues for which there was an agreed negotiating mandate in the declaration would be dealt with under the terms of that mandate. Those implementation issues where there is no mandate to negotiate, would be taken up as "a matter of priority" by relevant WTO councils and committees.

b. Declaration on the TRIPS Agreement and Public Health

Ministers stressed the importance of implementing and interpreting the TRIPS Agreement in a way that supports public health (paragraph 17). In this respect, they adopted a "Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health" (WT/MIN(01)/DEC/2) in which they clarified the relationship between the necessity to protect intellectual property rights and the right of governments to protect public health. Ministers agreed that the TRIPS Agreement does not and should not prevent WTO Members from taking measures to protect public health.

The Declaration urges the TRIPS Council to find a solution to the problems countries may face in making use of compulsory licensing if they have little or no pharmaceutical manufacturing capacity (this was achieved in August 2003, see Module 7 - TRIPS Agreement). The Declaration also extends the deadline for least-developed countries to apply provisions on pharmaceutical patents until 1 January 2016.
c. Decisions on Waivers

Ministers adopted a Decision on a Waiver for EU-ACP Partnership Agreement which allowed the EU to continue giving preferential market access for products coming from African, Caribbean and Pacific (ACP) countries until 31 December 2007 (WT/MIN(01)/15). Another waiver was adopted to also allow the EC to allocate a separate tariff quota of 750,000 tonnes for bananas of ACP origin until 31 December 2005 (WT/MIN(01)/16). A short explanation of what constitutes a "waiver" is provided in Section V.F.2 (decision-making in the WTO).

Several other Decisions were also adopted at the 4th Session of the Ministerial Conference.

V.A.5. CANCUN MINISTERIAL - SEPTEMBER 2003 /FIFTH SESSION / MEXICO

During the Fifth Ministerial Conference, which took place in Cancún (Mexico) in September 2003, the main task was to assess the progress in the DDA negotiations. Ministers adopted a statement in which they reaffirmed their commitments to complete the negotiations under the DDA. However, Ministers failed to reach a consensus on how to proceed with negotiations in key areas like agriculture and NAMA. In addition, they did not agree on template agreements, known as “Modalities” for the Singapore Issues (the term "Modalities" is explained below – see Part V.G. "Ongoing Negotiations: Doha Development Agenda").

After the Cancún Ministerial Conference ended in deadlock, WTO Members in Geneva began efforts to put the negotiations and the rest of the work programme back on track. Work intensified in the first half of 2004 whereas real progress on agriculture and the Singapore issues was not evident until 1 August 2004 with a set of decisions in the General Council (sometimes called the "July 2004 Package" - WT/L/579) which dropped all Singapore Issues but trade facilitation from the negotiation table. Members reaffirmed the Ministerial Declarations and Decisions adopted at Doha and the full commitment to give full effect to them and agreed on a framework to focus the negotiations and raise them to a new level.

V.A.6. HONG KONG MINISTERIAL - DECEMBER 2005 / SIXTH SESSION / HONG KONG - CHINA

The Sixth Ministerial Conference was held in Hong Kong, China, in December 2005. The main task before Members in Hong Kong was to settle a range of questions aimed at shaping the final agreement of the DDA initiated in 2001.

The Conference culminated in the adoption of a Ministerial Declaration (WT/MIN(05)/DEC) reaffirming the Ministerial Declarations and Decisions adopted at Doha and the General Council Decision of 1 August 2004 - the "July 2004 Package".

The Hong Kong Ministerial Declaration saw progress on a number of issues including:

- the elimination of all export subsidies in agriculture by the end of 2013;
- an agreement on duty-free, quota-free access to developed country markets for cotton from LDCs;
developed country Members and developing country Members in a position to do so will provide duty-free, quota-free market access for at least 97 per cent of products originating from LDC Members;
- a framework for full modalities in agriculture and NAMA; and,
- in services, agreement on a text pointing positively forward in the negotiations.

Ministers agreed also to create a new WTO work programme on "Aid-for-Trade" which should aim to help developing countries, particularly LDCs, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from WTO Agreements and more broadly to expand their trade (Hong Kong Declaration, paragraph 57).

Ministers met again at the end of June (2006) in order to advance and if possible, conclude the negotiations under the DDA; however an agreement was not reached. For further information on current negotiations, see Part V.G. "Ongoing Negotiations: Doha Development Agenda".

V.A.7. NOVEMBER – DECEMBER 2009 / 7TH MINISTERIAL CONFERENCE / GENEVA (SWITZERLAND)

The general theme for discussion at the 7th Ministerial Conference, which took place in Geneva in 2009, was "The WTO, the Multilateral Trading System and the Current Global Economic Environment".

The Ministerial Conference did not constitute a negotiating session, but instead a platform for Ministers to review the functioning of the WTO, including the Doha Round of negotiations. There was strong convergence on the importance of trade and the Doha Round to economic recovery and poverty alleviation in developing countries. Ministers reaffirmed the need to conclude the Round in 2010 and for a stock-taking exercise to take place in the first quarter of 2010. It was pointed out that while priority is being given to agriculture and non-agricultural market access (NAMA), it is important to advance on other areas of the agenda, including services, rules and trade facilitation. Members also held substantive discussions on a wide range of issues – from monitoring and surveillance to LDC-specific issues, accessions, regional trade agreements and Aid for Trade.

V.A.8. DECEMBER 2011 / 8TH MINISTERIAL CONFERENCE / GENEVA (SWITZERLAND)

The Eighth Ministerial Conference was held in Geneva, Switzerland, from 15 to 17 December 2011. In parallel to the Plenary Session, three Working Sessions took place with the following themes: "Importance of the Multilateral Trading System and the WTO", "Trade and Development" and "Doha Development Agenda". The Conference approved the accessions of Russia, Samoa and Montenegro. In the final session, Ministers adopted a number of decisions.
At the Ninth Ministerial Conference held in Bali, Indonesia, from 3 to 7 December 2013, Ministers adopted the Bali Ministerial Declaration and decisions (“Bali Package”). The Bali Package comprises a series of decisions aimed at streamlining trade, allowing developing countries more options for providing food security, boosting least-developed countries’ trade and helping development more generally. Ministers also adopted a number of routine decisions and accepted Yemen as a new member of the WTO.

The decisions adopted include:

**Trade Facilitation**
- Agreement on Trade Facilitation — Ministerial Decision — WT/MIN(13)/36 — WT/L/911

**Agriculture**
- General Services — Ministerial Decision — WT/MIN(13)/37 — WT/L/912
- Public Stockholding for Food Security Purposes — Ministerial Decision — WT/MIN(13)/38 — WT/L/913
- Understanding on Tariff Rate Quota Administration Provisions of Agricultural Products, as Defined in Article 2 of the Agreement on Agriculture — Ministerial Decision — WT/MIN(13)/39 — WT/L/914
- Export Competition — Ministerial Declaration — WT/MIN(13)/40 — WT/L/915

**Cotton**
- Cotton — Ministerial Decision — WT/MIN(13)/41 — WT/L/916

**Development and LDC issues**
- Preferential Rules of Origin for Least-Developed Countries — Ministerial Decision — WT/MIN(13)/42 — WT/L/917
- Operationalization of the Waiver Concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries — Ministerial Decision — WT/MIN(13)/43 — WT/L/918
- Duty-Free and Quota-Free Market Access for Least-Developed Countries — Ministerial Decision — WT/MIN(13)/44 — WT/L/919
- Monitoring Mechanism on Special and Differential Treatment — Ministerial Decision — WT/MIN(13)/45 — WT/L/920

The Bali Ministerial Declaration and decisions can be found here: [https://mc9.wto.org/](https://mc9.wto.org/)

**V.B. THE GENERAL COUNCIL**

The General Council is the second tier in the decision-making structure of the WTO. It is also formed by representatives from all Member countries, usually Ambassadors or Permanent Representatives, based in Geneva. It adopts decisions on behalf of the Ministerial Conference on all WTO affairs when the Conference is not in session.

The General Council also meets as:
Geneva. It **adopts decisions on behalf of the Ministerial Conference on all WTO affairs** when the Conference is not in session.

The General Council also meets as:

- the **Trade Policy Review Body (TPRB)** (Article IV:4 of the Agreement Establishing the WTO), with a different Chairperson, to carry out trade policy reviews as mandated by the Decision on the TPRM; and,

- the **Dispute Settlement Body (DSB)** (Article IV:3 of the Agreement Establishing the WTO), with a different Chairperson to administer the rules in the DSU. The DSB has the authority to establish panels, adopt panel and Appellate Body reports, oversee the implementation of rulings and recommendations, and authorize the suspension of concessions under the Agreements for which disputes can be settled according to the DSU, i.e. the "covered agreements". The WTO dispute settlement mechanism will be introduced in Module 10, together with the TPRM.

### V.C. THE COUNCILS

In the third level are **three subsidiary councils** – the Council for Trade in Goods (Goods Council), the Council for Trade in Service (GATS Council) and the Council for TRIPS (TRIPS Council), which operate under the general guidance of the General Council and are responsible for the workings of the WTO Agreements dealing with their respective areas of trade. **They consist of all WTO Members.** The three subsidiary councils are:

- The **Council for Trade in Goods** (normally referred to as the Goods Council) oversees all the issues related to the Agreements on trade in goods. The Goods Council has eleven committees working on specific subjects (such as agriculture, market access, subsidies and anti-dumping measures). These committees are composed of all Members;

- The **Council for Trade in Services** (normally referred to as the GATS Council) oversees all issues related to the GATS Agreement. The GATS Council has bodies dealing with financial services, domestic regulations, GATS rules and specific commitments. However, it does not have a fixed number of subsidiary bodies. For example, the Negotiating Group on Basic Telecommunications was dissolved in February 1997 when its work was completed; and,

- The **Council for TRIPS** (normally referred to as the TRIPS Council) oversees issues related to the TRIPS Agreement.

### V.D. SUBSIDIARY BODIES

Six other bodies report to the General Council. The scope of their coverage is smaller, so they are referred to as "**Committees**" (Article IV:7 of the Agreement Establishing the WTO). They cover issues such as trade and development, trade and environment, regional trade arrangements and administrative issues. Participation is open to **all WTO Members**.

The Doha Ministerial Conference in 2001 decided to create a **new Trade Negotiations Committee (TNC) to oversee the Doha Round of negotiations**. The Doha Ministerial Declaration empowered the TNC to create subsidiary negotiating bodies to handle individual negotiating subjects. It operates under the authority of the General Council.
Two more subsidiary bodies dealing with the plurilateral agreements (which are not signed by all WTO Members - see Section V.H - The WTO Agreements) keep the General Council informed of their activities regularly (Article IV:8 of the Agreement Establishing the WTO).

The Committees, Working Groups or Working Parties, which focus on specific issues and report to the General Council, are:

- Committee on Trade and Development (CTD);
- Committee on Trade and Environment (CTE);
- Committee on RTAs (CRTA);
- Committee on Balance-of-Payment (BOP) Restrictions (BOP Committee);
- Committee on Budget, Finance and Administration;
- Trade Negotiations Committee (TNC);
- Working Parties on Accession;
- Working Group on Trade, Debt and Finance; and,
- Working Group on Trade and Technology Transfer.

V.E. THE WTO SECRETARIAT

Article VI of the Agreement Establishing the WTO provides a Secretariat of the WTO (hereinafter referred to as "the Secretariat") headed by a Director-General appointed by the Ministerial Conference. The Secretariat is located in Geneva and has around 630 regular staff. Since decisions are taken by Members only, the Secretariat has no decision-making powers. Its main duties are to supply technical and professional support for the various councils and committees, to provide technical assistance for developing countries, to monitor and analyze developments in world trade, to provide information to the public and the media and to organize the ministerial conferences. The Secretariat also provides legal assistance in the dispute settlement process and advises governments wishing to become Members of the WTO.

The Secretariat staff includes individuals representing about 70 nationalities. The professional staff is composed mostly of economists, lawyers and others with a specialization in international trade policy. There is also a substantial number of personnel working in support services, including informatics, finance, human resources and language services. All Secretariat staff shall be exclusively international in character and shall not seek or accept instructions from any government or any other authority external to the WTO in the discharge of their duties.
V.F. DECISION-MAKING AT THE WTO

IN BRIEF

The WTO continues GATT's tradition of making decisions not by voting but by consensus. Where consensus is not possible the WTO Agreement allows for voting – Decisions of the Ministerial Conference and the General Council shall be taken by a majority of the votes cast and on the basis of "one country one vote".

The Agreement Establishing the WTO envisages four specific situations involving voting: interpretation of the multilateral trade agreements; decisions on waivers; decisions to amend most of the provisions of the multilateral agreements (depending on the nature of the provision concerned and binding only for those Members which accept them); and decisions to admit a new Member.

V.F.1. CONSENSUS

The WTO is a Member-driven, consensus-based organization. Consensus is defined in footnote 1 to Article IX of the Agreement Establishing the WTO, which states "The Body concerned shall be deemed to have decided by consensus on a matter submitted for its consideration, if no Member present at the meeting when the decision is taken, formally objects to the proposed decision".

V.F.2. VOTING IF CONSENSUS NOT REACHED

Where a decision cannot be reached by consensus, the Agreement Establishing the WTO permits voting. At meetings of the Ministerial Conference and the General Council, each Member of the WTO shall have one vote. Except as otherwise provided, where a decision cannot be arrived at by consensus, the matter at issue shall be decided by voting (Article IX of the Agreement Establishing the WTO). Decisions of the Ministerial Conference and the General Council shall be taken by a majority of the votes cast, unless otherwise provided in the Agreement Establishing the WTO or in the relevant multilateral trade agreement (those WTO Agreements that apply to all WTO Members). As we will see in Section V.H, most of the WTO Agreements enter into this category.

Article IX of the Agreement Establishing the WTO envisages voting, whenever a decision cannot be reached by consensus, voting can be exercised in the following situations:

a. Interpretations

Three fourths majority of WTO Members in the Ministerial Conference or the General Council can adopt an interpretation of the Agreement Establishing the WTO and of the multilateral trade agreements (Article IX:2 of the Agreement Establishing the WTO). In the case of an interpretation of a multilateral trade agreement in Annex 1, they shall exercise their authority on the basis of a recommendation by the Council overseeing the functioning of the Agreement.
b. Waivers

In exceptional circumstances, the Ministerial Conference may decide, by three fourths, to waive an obligation imposed on a Member by the Agreement Establishing the WTO or any of the multilateral trade agreements (Article IX:3 of the Agreement Establishing the WTO).

c. Amendments

Any Member of the WTO may initiate a proposal to amend the provisions of the Agreement Establishing the WTO or the multilateral trade agreements in Annex 1 by submitting such proposal to the Ministerial Conference, which shall decide by consensus to submit the proposed amendment to the Members for acceptance. If consensus is not reached, the Ministerial Conference shall decide by a two-thirds majority according to the rules set forth in Article X of the Agreement Establishing the WTO.

The rules applicable to decisions on amendments vary depending on the provision subject to amendment. Amendment to certain provisions of the WTO Agreements (e.g. Article IX of the Agreement Establishing the WTO, Article I - MFN Principle - and Article II - Schedules of Concessions - of the GATT 1994) shall take effect only upon acceptance by all Members.

d. Accession

Article XII of the Agreement Establishing the WTO provides that decisions on accession of new WTO Members are taken by Ministerial Conference and by a two thirds majority of all WTO Members (in practice however, decisions on accession have been taken by consensus in accordance with WTO practice).

e. Financial Regulations and Annual Budget Estimate

Article VII:3 of the Agreement Establishing the WTO provides that the financial regulations and the annual budget estimate are adopted by a two-thirds majority of the General Council comprising more than half of the Members of the WTO.

NOTE

Where the European Union (EU) exercise their right to vote they shall have a number of votes equal to the number of their member States which are Members of the WTO.

V.F.3. FORMAL AND INFORMAL MEETINGS

Since decisions in the WTO are generally made by consensus, without voting, WTO informal consultations play a vital role in bringing the diverse interests of its Members towards reaching an agreement.

Some informal meetings include the full Membership, such as those of the heads of delegations. However difficult issues are discussed effectively in smaller groups. One practice is for the Chairperson of a negotiating
group to attempt to forge a compromise by holding consultations with delegations in twos or threes, or in groups of 20 to 30 delegations ensuring that the full spectrum of Members’ views and interests are represented. Some variable geometry may be needed depending on the issues being discussed.

These smaller meetings have to be handled with sensitivity. **The key is to ensure that the process is transparent**, keeping everybody informed even if they are not in a particular consultation or meeting, and that they have an opportunity to participate or to provide input (it must be “inclusive”).

Some meetings take place in the "**Green Room**". The “Green Room” is an expression taken from the informal name of the Director-General’s conference room at the WTO building. The term refers to meetings of 20 to 40 delegations, which are convened by a Committee Chairperson, as well as by the Director-General and can take place elsewhere, such as at Ministerial Conferences.

**In the end, decisions have to be taken by all Members and by consensus. However, informal consultations play a vital role in generating consensus to facilitate formal decisions in the Councils and Committees.** Formal meetings are the forums for exchanging views, putting the positions of all Members on the record, and ultimately adopt decisions. These formal and informal meetings form the basis of negotiations in the WTO.

**V.G.  ON-GOING NEGOTIATIONS: THE DOHA DEVELOPMENT AGENDA (DDA)**

As stated earlier, the **4th Ministerial Conference** was held in Doha, Qatar, in November 2001. In Doha, Members decided to **launch a new round of negotiations and adopted the DDA and its accompanying work programme**.

The Doha Ministerial Declaration, which sets the current negotiating mandate, required WTO Members to set up the TNC, which supervises the current negotiations under the authority of the General Council. As explained above, all the subjects being negotiated form part of a "**single undertaking**", which in practical terms means "nothing is agreed until everything is agreed" (explained in Section V.H.2.1).

**Doha Negotiations**

Currently, negotiations are taking place:

in **new negotiating groups**, on:

- market access for non-agricultural products (NAMA);
- **WTO rules** (anti-dumping, subsidies, regional trade agreements); and,
- trade facilitation.
Negotiations on Agriculture and NAMA are at the heart of the DDA. At the start, participants have to reach agreement on "modalities" for the negotiations. There is probably no single agreed definition of the term "modalities". It is widely used throughout the DDA negotiations, but it often means different things in the different negotiating bodies. At its most simple it could be defined as guidelines and formulas on how WTO Members will apply their new commitments. For example, on tariffs, modalities set how much they should be reduced and the length of the time period for the reduction.

Considerable emphasis is placed on special and differential treatment (S&DT) for developing countries. The principle of S&DT is an integral part of the WTO Agreements (this principle will be explained in detail in Module 9). All negotiations and other aspects of the DDA work programme are to fully incorporate this principle. In addition, according to the Doha Declaration (paragraph 44) and the Decision on Implementation-Related Issues and Concerns, all S&DT provisions are to be reviewed to make them more precise, effective and operational. These reviews are carried out in special sessions of the CTD.
EXERCISES

8. Please arrange the following WTO bodies in hierarchical order:
   (a) General Council;
   (b) Committee on Agriculture;
   (c) Council for Trade in Goods; and,
   (d) Ministerial Conference.

9. Please state the function of the following WTO bodies:
   (a) General Council;
   (b) Committee on Agriculture;
   (c) Council for Trade in Goods; and,
   (d) Ministerial Conference.

10. What did the WTO Ministers agree in Doha specifically dealing with the Agreement on TRIPS?

11. Please briefly explain the decision-making rules at the WTO.
V.H. ACCESION OF NEW MEMBERS

V.H.1. WHAT IS THE ACCESSION PROCESS?

States or separate customs territories wishing to become a Member of the WTO have to go through an accession process involving multilateral and bilateral negotiations. The WTO accession process aims to ensure that acceding new Members become full and effective players from their first day of Membership. The accession process is one of learning and preparation for WTO membership.

But how does this process work? Article XII of the Agreement Establishing the WTO governs the accession process to the WTO.

Accession to the WTO: Some Figures

The WTO came into force on 1 January 1995 with 128 original Members. Since then, 25 governments have joined the multilateral trading system (MTS). As of September 2008, 29 countries were in the process of acceding, including 12 LDCs.

V.H.2. WHO CAN BECOME A MEMBER OF THE WTO?

States and separate customs territories can become WTO Members. International organizations are normally made up of sovereign States, this is also the case of the WTO. However, Article XII opens up a possibility for trading partners who are not fully-fledged sovereign States to accede, subject to two conditions: 1. they must be separate customs territories; and, 2. they must possess full autonomy in the conduct of their external commercial relations. Separate customs territories have the same rights and obligations as any other Member. Examples of separate customs territories are Macao, China and Hong Kong, China. To find the list of WTO Members, see: http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

For more information on accessions, see: http://www.wto.org/english/thewto_e/acc_e/acc_e.htm

V.H.3. HOW IS THE ACCESSION PROCESS?

Each accession is unique and negotiated on a case-by-case basis. The terms of accession always depend on the legal and institutional framework of the acceding government and are different for each applicant.

Although Article XII does not prescribe specific procedures to join the Organization, a set of procedures has been developed by the Secretariat in consultation with WTO Members and also through customary practice.
V.H.4. THE PROCESS FOR ACCESSION

a. First Step: Request for Accession

The acceding government needs to send a written request expressing its wish to join under the procedures of Article XII of the Agreement Establishing the WTO. The request is circulated to all WTO Members and transmitted to the Chairman of the General Council for consideration at a future meeting.


The General Council then establishes a Working Party (WP). It is open to all WTO Members, who may join at any stage of the process. International organizations, acceding governments and non-acceding governments having observer status can attend formal WP meetings as observers. The mandate of the WP is to examine the application and to submit to the General Council or Ministerial Conference recommendations, which may include a Draft Protocol of Accession. Once the WP is established, the applicant government becomes an observer to the General Council, with the rights and obligations that this entails.

c. Third Step: Accession Negotiations

Acceding governments must be equipped for two types of negotiations, which proceed more or less in parallel:

1. **Multilateral Negotiations:** on WTO rules and disciplines. They take place within the framework of the WP.

2. **Bilateral Negotiations:** on conditions of access to the applicant’s market for goods and services. These negotiations take place on a one-to-one basis between interested Members and the acceding government.

In addition, plurilateral negotiations may take place to facilitate multilateral negotiations at the WP level. A draft Report containing the result of the negotiations is then approved by the WP.

The accession procedures are outlined in document WT/ACC/1, which was developed by the Secretariat in close consultation with Members as a practical, non-binding, guide.

1. **MULTILATERAL NEGOTIATION**

As mentioned above, these negotiations take place within the framework of the WP and cover all WTO Agreements.

**FACT-FINDING PHASE**

Its purpose is to collect information on the applicant’s foreign trade regime and to provide a basis for the negotiation of its terms of entry into the WTO. The applicant has first to submit a "Memorandum" on its foreign trade regime, which is circulated to all WTO Members (the format of the Memorandum can be found in Attachment I of document WT/ACC/1). In addition, it has to submit other supporting documents and information during the accession process. WTO Members can make questions on the issues covered in the Memorandum to the acceding government, who has to provide written answers.
WORKING PARTY MEETING

The WP Members begin the examination of the applicant's foreign trade regime on the basis of the Memorandum, the questions and replies and other documents submitted by the acceding government with a view to seeking any further clarifications.

The first meetings of the WP continue the fact-finding process, including the identification of areas of possible inconsistency with the WTO Agreements. As the information-gathering stage advances, and in order to ensure the transparency of the process, the Secretariat is often requested to circulate a Factual Summary of Points Raised - an informal document summarizing discussions in the WP. This document gradually develops into a draft WP Report. The WP Report includes the commitments on the general rules to be accepted by the acceding country.

2. BILATERAL NEGOTIATIONS

Bilateral meetings are held with interested WP Members to negotiate tariff bindings (maximum level of customs duty to be levied on imported goods) and services commitments.

SUBMISSION AND REVISION OF OFFERS

Bilateral negotiations start after the acceding government has submitted initial offers on goods and services to the Secretariat for consultation by Members. These negotiations take place usually on the fringes of WP meetings.

BILATERAL AGREEMENT

Once an agreement has been reached with a Member (usually after several rounds of negotiations), a bilateral agreement is signed.

DRAFT GOODS AND SERVICES SCHEDULES

The Secretariat consolidates all bilateral agreements (which remain confidential) into Draft Goods and Services Schedules (the Members' Schedules are explained in Module 3 – Market access for goods - and Module 6 – Services - respectively).

PLURILATERAL NEGOTIATIONS

In addition, certain issues of multilateral and systemic interest are discussed plurilaterally, i.e. in informal consultations with a number of interested Members. This is typically the case for discussion on the technical aspects of domestic support and export subsidies in agriculture.
d. Final Step: Approval of the Accession Package

The "Accession package" represents the result of both the multilateral and bilateral negotiations. The accession package includes the draft Report; the Draft Decision to be taken by the General Council/Ministerial Conference, inviting the applicant to accede; the Draft Protocol of Accession, which sets out the terms on which the applicant will be invited to accede; and, draft goods and services schedules.

As mentioned above, the accession package is first approved by the WP and then presented to the General Council/Ministerial Conference for approval. Although Article XII refers to a two thirds majority, since 1995
decisions on accession have been taken by consensus in accordance with WTO practice (Art.IX:1 of the Agreement Establishing the WTO).

Once approved by the General Council, the applicant is free to sign the Protocol of Accession stating that it accepts the "accession package" subject to ratification in its national Parliament. Thirty days after the applicant government notifies the WTO Secretariat that it has completed its ratification procedures, the applicant government becomes a full Member of the WTO.

V.H.5. TECHNICAL ASSISTANCE AND TRAINING

WTO accession involves complex negotiations and the preparation of numerous documents. Technical assistance plays a key role in helping acceding governments face the challenges of the accession process. Technical assistance is provided by the WTO Secretariat, WTO Members and other international organizations (e.g. United Nations Conference on Trade and Development (UNCTAD) and the World Bank).

Technical assistance provided by the WTO Secretariat takes many forms. The Accessions Division assists acceding governments in the preparation of documents and answers to questions regarding WTO rules and requirements. These may also include national activities, upon request. Acceding governments may also participate in WTO trade-related technical assistance (TRTA) and training activities (coordinated by the Institute for Training and Technical Cooperation (ITTC) - see Module 9) and multi-agency programmes (e.g. within the Enhanced Integrated Framework (EIF) explained in Module 9).

Requests must be sent to the Director of the Accessions Division and/or to the Director of IITC. Priority is given to least-developed countries (LDCs).

V.H.6. GUIDELINES FOR LEAST-DEVELOPED COUNTRIES (LDCS)

Noting that none of the LDCs had joined the WTO under the procedures of Article XII since the establishment of the WTO, at the Doha Ministerial Conference in 2001 Members discussed ways to facilitate the accession of LDCs (paragraph 42 and 43 - Doha Declaration). As a result, accession was included in the Work Programme of the Sub-Committee on LDCs.

The implementation of this programme led to the adoption by the General Council of the "Guidelines for Accession of Least-Developed Countries" in December 2002. The Guidelines include provisions on market access, WTO rules (special and differential treatment), the process of accession and TRTA. The implementation of the Guidelines is reviewed on a regular basis and the results are included in the Annual Report of the Committee on Trade and Development (CTD) to the General Council.
NOTE

If you look for more information on Accession, the following links might be useful:

**Interactive course on Accession:**
http://www.wto.org/english/news_e/news08_e/etraining_june08_e.htm

**Handbook on Accession to the WTO:**
http://www.wto.org/english/thewto_e/acc_e/cbt_course_e/signin_e.htm

**Protocols of Accession on New Members since 1995:**
http://www.wto.org/english/thewto_e/acc_e/completeacc_e.htm

EXERCISES

12. Explain briefly who can apply for WTO Membership and the main steps of the process of accession.
VI.  THE WTO AGREEMENTS

In previous pages, you have seen references to the WTO Agreements. What are these Agreements?

Most of the WTO Agreements were negotiated during the Uruguay Round and signed at the Marrakesh Ministerial Meeting in April 1994. This "package" includes about 60 agreements and Decisions totalling 550 pages, as well as a major revision of the original GATT. Since 1994, negotiations have produced additional legal texts such as the Information Technology Agreement (ITA).

VI.A.  THE FINAL ACT

The "Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations" (the "Final Act") signed in Marrakesh in 1994 could be seen as a cover note to all the WTO Agreements. Everything else is attached to this.

VI.B.  THE AGREEMENT ESTABLISHING THE WTO

After the Final Act, follows the "Marrakesh Agreement Establishing the World Trade Organization" (the "Agreement Establishing the WTO"), which serves as an umbrella agreement.

The Agreement Establishing the WTO includes provisions on scope, functions and structure of the WTO. It defines the WTO relationship with other organizations, its Secretariat, budget and contributions, legal status, decision-making and amendment procedures (including special voting procedures). In addition, it includes provisions on the definition of original Members and accession of new Members.

The Agreement Establishing the WTO has four Annexes. Annexes 1, 2, and 3 are called "Multilateral Trade Agreements", while Annex 4 includes the "Plurilateral Trade Agreements". As mentioned earlier, the Agreement Establishing the WTO and its Annexes will be referred to as "the WTO Agreements" in this course.

According to Article XVI:3 of the Agreement Establishing the WTO, in the event of conflict between a provision of this Agreement and a provision of any of the multilateral trade agreements (including the GATT 1994, any of the other multilateral trade agreements on goods, the GATS and the TRIPS), the provision of the Agreement Establishing the WTO shall prevail to the extent of the conflict.

Multilateral Trade Agreements and "Single Undertaking"

The multilateral trade agreements (Annexes 1, 2 and 3) are applicable to ALL Members and as such are deemed a "single undertaking" (see box below). Most of the agreements negotiated during the Uruguay Round are part of this "single package", including the GATT 1994, the Agreement on Agriculture, the GATS and the TRIPS.

The Schedules of Commitments also form part of the single undertaking. As we will explain in detail in subsequent Modules, WTO Members make specific commitments during trade negotiations. For GATT 1994,
these take the form of binding commitments on tariffs for goods in general and combinations of tariffs and quotas for some agricultural goods. For GATS, the commitments on market access state how much access foreign service providers are allowed for specific sectors.

**Single Undertaking**

Agreements related to GATT 1947 were negotiated during negotiating rounds prior to the Uruguay Round. In particular, some agreements on non-tariff barriers were negotiated during the Tokyo Round. However, these agreements were not adopted by all GATT Contracting Parties; they applied only to those countries who agreed to be bound by them. **In the Uruguay Round**, a different approach was adopted - it was decided that the multilateral trade agreements were to be accepted as a whole (bind all WTO Members). This approach is known as the "single undertaking".

As mentioned earlier, the concept of "single undertaking", which in practical terms means "nothing is agreed until everything is agreed", is also being used for negotiations under the DDA.

**Plurilateral Trade Agreements**

Despite the single undertaking approach to most agreements, four plurilateral trade agreements were also negotiated during the Uruguay Round. Plurilateral agreements **apply only to those Members who agreed to be bound by them**. The plurilateral agreements negotiated during the Uruguay Round are: Agreement on Trade in Civil Aircraft; Agreement on Government Procurement; the International Dairy Agreement; and the International Bovine Meat Agreement. The latter two were terminated at the end of 1997.

**IN A NUTSHELL**

**THE BASIC STRUCTURE OF THE WTO AGREEMENTS**

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VI.C. MULTILATERAL AGREEMENTS ON TRADE IN GOODS – ANNEX 1A

The Agreements that discipline the trade in Goods (Annex 1A), which are binding to all WTO Members, are the following:

- **General Agreement on Tariffs and Trade (GATT 1994)**; the GATT 1994, which is a modified version of the original GATT 1947, *sets out the basic goods-related obligations of WTO Members*. It consists of: (1) The provisions of the *GATT 1947*, as rectified, amended or modified up to 1 January 1995 (date of entry into force of the Agreement Establishing the WTO); (2) Protocols and certifications relating to tariff concessions (tariff schedules); (3) The protocols of accession (to the GATT, up to 31 December 1994); (4) The Decisions on waivers still in force on 1 January 1995; (5) Understandings on the interpretation of various GATT provisions; and, (6) Other decisions of the Contracting Parties to GATT 1947. The main provisions included in the GATT 1994 will be addressed in Module 2 (Non-Discrimination), Module 3 (Rules on Market Access for Trade in Goods) and Module 8 (Exceptions).

- **Agreement on Agriculture**: the Agreement on Agriculture deals with market access, domestic support, and export subsidies for agricultural products listed in Annex 1 of the Agreement. This Agreement will be introduced in Module 4 (Agreements on Trade in Goods).

- **Agreement on Sanitary and Phytosanitary Measures (SPS) (the SPS Agreement)**; the SPS Agreement applies to sanitary and phytosanitary measures which may, directly or indirectly, affect international trade. Members have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of the SPS Agreement. This Agreement will be introduced in Module 4.

- **Agreement on Textiles and Clothing (ATC, terminated on 1/1/2005)**; the expiry of the ten-year transition period (from 1995-2005) of the ATC implementation means that trade in textile and clothing products is no longer subject to quotas under a special regime outside normal WTO/GATT rules but is now governed by the general rules and disciplines embodied in the WTO Agreements.

- **Agreement on Technical Barriers to Trade (the TBT Agreement)**; the TBT Agreement recognizes countries’ rights to adopt technical regulations and standards, as long as they do not constitute unnecessary barriers to trade. The TBT Agreement covers technical regulations not covered by the SPS Agreement. This Agreement will be introduced in Module 4.
- **Agreement on Trade-Related Investment Measures** *(the TRIMs Agreement)*; the TRIMS Agreement recognizes that certain investment measures can have trade-restrictive and distorting effects. The Agreement applies only to measures that affect trade in goods. It will be introduced in Module 4.

- **Agreement on Implementation of Article VI of the GATT 1994** *(Anti-Dumping Agreement)*; the WTO Anti-Dumping Agreement provides disciplines for the application of anti-dumping measures in case dumped imports are causing or threatening to cause material injury to the domestic industry of like products. The Agreement on Anti-Dumping will be introduced in Module 5 (Trade Remedies).

- **Agreement on Implementation of Article VII of the GATT 1994** *(Agreement on Customs Valuation)*; the WTO Agreement on Customs Valuation aims for a fair, uniform and neutral system for the valuation of goods for customs purposes — a system that conforms to commercial realities, and which outlaws the use of arbitrary or fictitious customs values. The Agreement on Customs Valuation will be introduced in Module 4.

- **Agreement on Preshipment Inspection**; the WTO Agreement on Preshipment Inspection recognizes that GATT principles and obligations apply to the activities of preshipment inspection agencies mandated by governments to check shipment details such as price, quantity and quality of goods ordered overseas. This Agreement will be introduced in Module 4.

- **Agreement on Rules of Origin**; the Agreement aims at long-term harmonization of rules of origin (criteria used to define where a product was made). It ensures that such rules do not have restricting, distorting or disruptive effects on international trade and that they are administered in a consistent, impartial and reasonable manner. This Agreement will be introduced in Module 4.

- **Agreement on Import Licensing Procedures**; the Agreement says import licensing should be simple, transparent and predictable so as not to become an obstacle to trade. It will be introduced in Module 4.

- **Agreement on Subsidies and Countervailing Measures** *(the SCM Agreement)*; the SCM Agreement disciplines the use of subsidies and regulates the actions countries can take to counter the effects of subsidies. The SCM Agreement will be introduced in Module 5.

- **Agreement on Safeguards**, allows WTO Members to restrict imports of a product temporarily if the domestic industry is injured or threatened with injury caused by a surge in imports. The Agreement on Safeguards will be introduced in Module 5.

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**VI.D. GENERAL AGREEMENT ON TRADE IN SERVICES (GATS) – ANNEX 1B**

The **GATS**, which is also binding to all WTO Members, applies to measures affecting trade in services. It covers four modes of supply (from the perspective of an importing country): cross border services; consumption abroad; commercial presence; and movement of natural persons. The GATS consists of a main text that lays out general obligations and disciplines, annexes dealing with specific sectors and individual countries' specific commitments to provide access to their markets, including exemptions to the MFN principle. It has the following annexes:

- Annex on Article II Exemptions (List of MFN Exemptions);
- Annex on Movement of Natural Persons Supplying Services under the Agreement;
- Annex on Air Transport Services;
- Annex on Financial Services and Second Annex on Financial Services;
- Annex on Telecommunications and Annex on Negotiations on Basic Telecommunications; and,

The GATS will be introduced in Module 6.

VI.E. AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS) – ANNEX 1C

The objective of the TRIPS Agreement is the reduction of distortions and impediments to international trade, promotion of effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to trade. The protection of intellectual property rights should contribute to the promotion of technological innovation and transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare. The TRIPS Agreements is also binding to all WTO Members.

The TRIPS Agreement will be examined in Module 7.

VI.F. THE DISPUTE SETTLEMENT UNDERSTANDING (DSU) - ANNEX 2

As mentioned earlier, the WTO acts as a forum for the settlement of trade disputes between its Members. The rules and procedures of the WTO dispute settlement system are embodied in the "Understanding on Rules and Procedures Governing the Settlement of Disputes" (the DSU), which applies to all WTO Members. The DSU Agreement will be introduced in Module 10.

VI.G. TRADE POLICY REVIEW MECHANISM (TPRM) - ANNEX 3

As you studied at the beginning of this Module, one of the functions of the WTO is to administer the TPRM, applicable to all WTO Members. The TPRM will be explained also in Module 10.
EXERCISES

13. What does the Agreement Establishing the WTO include?

14. What does "single undertaking" mean? Are all agreements under the WTO adopted as a "single undertaking"?

15. What are the SPS and TBT Agreements? What are the main objectives of the two Agreements?
VII. SUMMARY

During this first Module, you have learnt that the WTO is the successor of the GATT, which was negotiated and concluded half a century ago. Although the GATT was never intended to be an international organization but only to be a subsidiary agreement under the ITO Charter, it served as a de facto organization during the past 50 years, until the WTO came into effect. Several rounds of negotiations, including the Uruguay Round which created the WTO, took place under the auspices of the GATT.

You have also been taught that in the WTO, trade liberalization is not seen as an end in itself, but instead as a tool to promote growth and development. Thus, the objective of the WTO - as stated in the Preamble to the Agreement Establishing the WTO - is to improve the welfare of the peoples of its Member countries (standards of living, employment, income, etc.) by expanding the production of, and trade in, goods and services in accordance with the objective of sustainable development and in a manner consistent with the different levels of economic development. In addition, it recognizes the need for positive efforts to ensure that developing and least-developed countries secure a share in the growth in international trade commensurate with their development needs.

You also read that the functions of the WTO are to:

- facilitate the implementation, administration and operation, and further the objectives of the WTO Agreements (including the plurilateral agreements);
- serve as a forum for trade negotiations;
- administer the (DSU);
- administer the TPRM;
- cooperate with the IMF and the International Bank for Reconstruction and Development (World Bank) to achieve coherence in global economic policy making; and,
- provide technical assistance to developing country Members.

There are various organs and bodies that make up the structure of the WTO:

Ministerial Conference

| General Council (also DSB and TPRB)

| Councils for Goods, Services, TRIPS

| Committees

| Subsidiary Bodies
The negotiation that is currently ongoing is widely known as the "Doha Round Negotiations" because it is based on the Doha Development Agenda and its accompanying work programme adopted at the 4th Ministerial Conference held in Doha, Qatar, in November 2001.

States and separate customs territories wishing to become a Member of the WTO have to go through an accession process involving multilateral and bilateral negotiations. Each accession process is unique and negotiated on a case-by-case basis. The process for accession involves a request of accession, the establishment of a working party to examine the application of accession, multilateral and bilateral negotiations and the approval of an accession package (includes the terms of entry of the acceding government). Special technical assistance is provided to developing and LDCs wishing to become Members of the WTO.

There are many agreements in the WTO framework. The umbrella Agreement - the Agreement Establishing the WTO - contains 4 Annexes - Annexes 1, 2, 3 and 4.

Annexes 1, 2, and 3 - the "Multilateral Trade Agreements" are binding on ALL WTO Members.

Annex 1 is divided into three sections:

- Annex 1A (The Multilateral Agreements on Trade in Goods, including the GATT 1994);
- Annex 1B (the GATS); and,
- Annex 1C (the TRIPS Agreement). Annex 2 covers the DSU.

Annex 3 covers the TPRM.

Annex 4 is termed "Plurilateral Trade Agreements". These agreements are ONLY binding on those Members that accepted them.
1. The negotiation of the GATT dates back to the 1940s. It was part of the post-war project to reconstruct a multilateral system of world trade through the elimination of discrimination, the reduction of tariffs and the dismantlement of other trade barriers. The project went on two tracks: (1) drafting a Charter for the ITO; and, (2) launching tariff negotiations on a multilateral basis. The GATT was never intended to be an international organization but only to be a subsidiary agreement under the ITO Charter. Nevertheless, the ITO did not materialize and the GATT came into force by means of a Provisional Protocol, signed on 30 October 1947 and effective since 1 January 1948.

2. The Preamble of the Agreement Establishing the WTO lays down the objectives of the WTO which provides an important legal basis for the interpretation of the WTO Agreements.

3. The objectives of the WTO are listed in the Preamble of the Agreement Establishing the WTO, they are as follows:
   - raise living standards;
   - ensure full employment;
   - ensure a large and steadily growing volume of real income and effective demand;
   - expand the production of and trade in, goods and services, while allowing for the optimal use of the world’s resources in accordance with the objective of sustainable development seeking both to protect and preserve the environment and to enhance the means for doing so in a manner consistent with their respective needs and concerns at different levels of economic development; and,
   - make "positive efforts to ensure that developing countries, and especially the least-developed among them, secure a share in the growth in international trade commensurate with ... their economic development”.

4. The main functions of the WTO are listed in Article III of the Agreement Establishing the WTO, they are as follows:
   - to facilitate the implementation, administration and operation, and further the objectives of the WTO Agreements;
   - serve as a forum for trade negotiations;
   - settle international trade disputes;
   - review Members’ trade policies;
   - coordinate with relevant international organizations in global economic policy-making, including the World Bank and IMF; and,
   - provide technical assistance (TA) to developing country Members.

5. The WTO provides a permanent institutional forum for multilateral negotiation and cooperation on trade-related policies among its Members. Although the WTO is specifically charged with providing the forum for negotiations on matters already covered by the WTO Agreements, negotiations under the auspices of the WTO may be extended to “new issues” to be disciplined by WTO Agreements.
6. "Coherence mandate" is set out in Article III(5) of the Agreement Establishing the WTO as the fifth function of the WTO. It requires the WTO to seek cooperation in global economic policy-making with other international organizations – the IMF and the World Bank, as well as their affiliated agencies. Article V of the Agreement also lays down rules for the WTO to establish effective cooperation with other intergovernmental organizations that have responsibilities related to those of the WTO and the possibility for the WTO to consult and cooperate with non-governmental organizations concerned with matters related to those of the WTO.

Cooperation with the international organizations mentioned above is essential since it is an important factor that WTO Members need to consider when they enter into negotiations to design an international regulatory framework with regard to economic policy. It will allow the WTO to achieve greater coherence in global economic policymaking.

7. During the Uruguay Round of negotiations which took place from 1986-1994. WTO Members decided to bring several new topics under the umbrella of the multilateral trading system. One of these new topics was services, which is governed by the GATS.

8. (a) Ministerial Conference;  
(b) General Council;  
(c) Council for Trade in Goods; and  
(d) Committee on Agriculture.

9. The Ministerial Conference is the highest authority of the WTO. It meets at least once every two years.

Below the Ministerial Conference in rank is the General Council. It takes all decisions on behalf of the Ministerial Conference when the Ministerial Conference is not in session. The General Council meets regularly (in principle, monthly). The General Council reports to the Ministerial Conference.

One of the subsidiary councils below the General Council is the Council for Trade in Goods (CTG). It oversees the implementation of the multilateral agreements on trade in goods (Annex 1A of the Agreement Establishing the WTO), and it reports to the General Council.

The Committee on Agriculture is one of several subsidiary bodies of the CTG. According to Article 18.1 of the Agreement on Agriculture, one of its main functions is to review the progress in the implementation of commitments negotiated under the Uruguay Round. The current negotiations on Agriculture take place in special sessions of the Agriculture Committee.

All Members participate in the work of all WTO Bodies.

10. In paragraph 17 of the Doha Declaration on the TRIPS Agreement and Public Health, Ministers stressed the importance of implementing and interpreting the TRIPS Agreement in a way that supports public health (paragraph 17). In this respect, they adopted a "Declaration on the Agreement on TRIPS and Public Health" in which they clarified the relationship between the necessity to protect intellectual property rights and the right of governments to protect public health. Ministers agreed that the TRIPS Agreement does not and should not prevent WTO Members from taking measures to protect public health.
11. Decisions at the WTO are normally taken by consensus. However, in cases where a decision cannot be arrived at by consensus, the Agreement Establishing the WTO permits voting. As far as formal voting is concerned, Article IX of the Agreement Establishing the WTO states that at meetings of the Ministerial Conference and the General Council, each Member of the WTO shall have one vote. Decisions of the Ministerial Conference and the General Council shall be taken by a majority of the votes cast, unless otherwise provided in the Agreement or in the relevant multilateral trade agreement.

12. International organizations are normally made up of sovereign states, this is also the case of the WTO. However, Article XII opens up a possibility for separate customs territories who are not fully-fledged sovereign States to accede, subject to two conditions: 1. they must be separate customs territories, and; 2. they must possess full autonomy in the conduct of their external commercial relations. Separate customs territories have the same rights and obligations as any other Member.

The accession process includes the following main stages: 1. Request for accession (from the government wishing to join the WTO); 2. establishment of a working party open to all WTO Members (to examine the application and submit recommendations to the General Council or Ministerial Conference; 3. accession negotiations (multilateral negotiation on WTO rules and disciplines and bilateral negotiations on conditions of market access for goods and services); and approval of the accession package by WTO Members (represents the result of both multilateral and bilateral negotiations).

13. The Agreement Establishing the WTO has four Annexes.

Annex 1 is divided into three sections:

Annex 1A (the Multilateral Agreements on Trade in Goods, including GATT 1994);
Annex 1B (Agreement on Trade in Services - GATS);

Annex 2 contains the Dispute Settlement Understanding - DSU.


Annex 4 governs the Plurilateral Trade Agreements.

14. The "single undertaking" is a new approach adopted during the Uruguay Round. According to it, the multilateral agreements negotiated were to be accepted as a whole (as a single package). The GATT 1994 and the other multilateral agreements on trade in goods, the GATS and the TRIPS Agreement are part of this single undertaking. Therefore, according to the single undertaking, the multilateral trade agreements are applicable to ALL WTO Members. Despite the single undertaking approach to most WTO Agreements, there are four plurilateral trade agreements which were also negotiated during the Uruguay Round, which bind only those Members who accepted them. These are the Agreement on Trade in Civil Aircraft, the Agreement on Government Procurement, the International Dairy Agreement and the International Bovine Meat Agreement. The latter two were terminated at the end of 1997.

The concept of "single undertaking" is also being used for negotiations under the DDA.

15. The SPS Agreement applies to sanitary and phytosanitary measures which may, directly or indirectly, affect international trade. Members have the right to take SPS measures necessary for the protection of human, animal or plant life or health, provided that they are not inconsistent with the provisions of the SPS Agreement. Instead, the TBT Agreement applies to technical regulations not covered by the SPS Agreement. It recognizes Members’ right to take measures necessary to protect legitimate objectives, as long as they do not constitute unnecessary barriers to international trade.