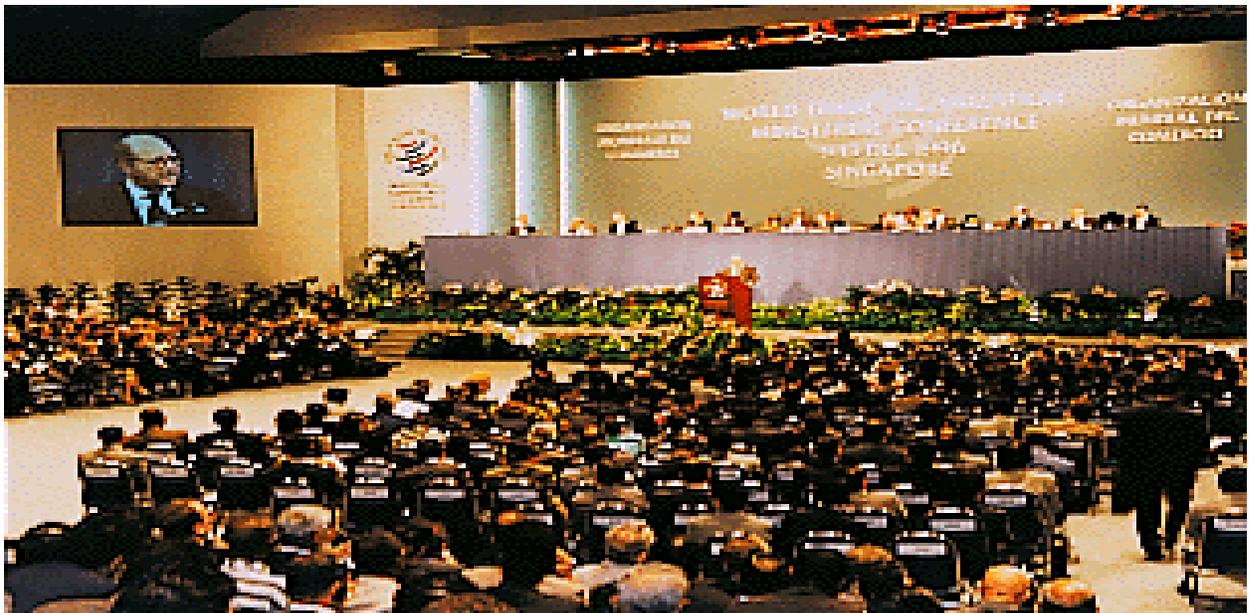




**Understanding the World**  
**Trade Organisation**



**July, 2005**

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## **Preface**

The World Trade Organisation (WTO) is the institutional framework of the multilateral trading system. The WTO is the successor to the General Agreement on Tariffs and Trade (GATT). At its heart are the WTO agreements, negotiated and signed by the bulk of the worlds trading nations. These agreements provide the legal ground rules for international commerce.

Considering the emerging multilateral trading systems, a WTO cell has been set up under the Market Research Division. The objectives of this initiative are primarily to enhance the capacity of the industry in understanding the dynamics of changing global trade scenario under WTO regime.

This is the first booklet on subject "understanding the WTO", from WTO cell. It provides a simple but comprehensive explanation of the fundamental concepts of WTO and is in the form of answers to commonly asked questions. I hope that this booklet will serve as a preliminary booklet on WTO related issues.

Eventhough there are several reports and publications in this regard in both Internet and print media, this booklet will be useful to the readers to get first hand idea on WTO.

I appreciate the sincere efforts of Dr P.Nayak, Director (Market Research), Dr N.Mahesh, Statistical Officer and all the WTO team in bringing this booklet in a user-friendly format. However, readers are welcome to give their views/ suggestions for further improvement.

**(Dr.Rajiv Aggarwal)**  
**Secretary**

## **1. What is the WTO and its purpose?**

The World Trade Organization (WTO) is the only international body dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations.

The WTO was established in 1995 as part of the Uruguay Round of trade negotiations. The main three purposes of the WTO are *to help trade flow as freely as possible, forum for trade negotiations and dispute settlement.*

## **2. Does the GATT exist?**

Before 1995, in the absence of a permanent institutional framework for the multilateral trading system, the expression "the GATT" tended to be used to refer to both the General Agreement on Tariffs and Trade and the framework in which the multilateral trade negotiations took place. Since 1<sup>st</sup> January 1995, the World Trade Organisation constituted permanent institutional framework for the multilateral trading system. The GATT, however, survives, as an Agreement: the General Agreement on Tariffs and Trade as it results from the Uruguay round negotiations is referred to as "GATT 1994". It embodies a modified and updated version of the original General Agreement on Tariffs and Trade, now referred as "GATT 1947".

## **3. What is the difference between GATT and the WTO?**

For several decades, the General Agreement on Tariffs and Trade was applied on a provisional basis. It was a multilateral agreement containing rules relating to trade in goods and although it operated like a permanent agreement, it was without a permanent institutional framework and was serviced by an ad hoc Secretariat. The WTO now provides a permanent institutional framework for the multilateral trading system, with its own Secretariat. In addition, the WTO not only covers trade in goods, as the GATT rules did, but also trade in services and trade-related aspects of intellectual property rights. Also, the dispute settlement mechanism has been considerably strengthened in the WTO.

#### **4. What are the main objectives of the WTO?**

In the preamble of the Marrakesh Agreement establishing the WTO, the parties to the Agreement recognize certain objectives, to which they wish to contribute through the multilateral trading system. It is recognized that Member's 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..." 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 the needs of their economic development".

#### **5. What are the main functions of the WTO?**

- To administer WTO trade agreements
- To provide a forum for trade negotiations
- To handle trade disputes
- To monitor national trade policies
- To provide technical assistance and training for developing countries
- To cooperate with other international organizations

#### **6. Who can join the WTO?**

Countries which were contracting parties to the GATT 1947 and who took part in the Uruguay Round negotiations could become original Members of the WTO by accepting the Marrakesh Agreement and the Multilateral Trade Agreements. The Agreements remained open for acceptance for a period of two years after the entry into force of the WTO. [Articles XI and XIV, Marrakesh Agreement]. Now, any State (or separate customs territory possessing full autonomy in the conduct of its external commercial relations and of other matters provided for in the Agreements) can become a Member of the WTO through the process of accession. The terms of accession are agreed between the State or territory requesting accession and the WTO. This implies acceptance of the Agreements and also negotiations with current WTO Members on schedules of concessions in goods and specific commitments in services. [Article XII, Marrakesh Agreement].

## **7. Are private parties and non-governmental organisations represented at the WTO?**

The WTO is an intergovernmental organization and only the governments of Members take part in its activities and decisions. However, other intergovernmental organizations can be granted observer status to attend the meetings of WTO bodies and the General Council may make arrangements for consultation and cooperation with non-governmental organisations concerned with WTO-related matters.

## **8. Does WTO dictate policies?**

The WTO does not tell Government how to conduct their trade policies. Rather it is member driven organization in which decisions are taken by consensus among WTO members and ratified by members' parliament.

## **9. Whether WTO decisions are taken by majority vote or by consensus? Do some Members of the WTO have more voting rights than others?**

The various councils and committees established are composed of representatives of the Members and all Members have the same voting rights in these bodies. Decision-making in the WTO generally follows the previous GATT 1947 practice of consensus: a decision is considered to be adopted if no Member, present at the meeting when the decision is taken, formally objects to the proposed decision. If voting is required, each Member has one vote, regardless of its importance in terms of volume of international trade. [Article IX ].

## **10. Who runs the activities of the WTO?**

The WTO is a "*Member-driven*" organization and the delegates of the Members participate actively in the meetings of the various committees and councils of the WTO, which take place all year round at WTO headquarters in Geneva. These bodies are assisted and serviced by the staff of the Secretariat of the WTO. The WTO Secretariat is composed of a number of divisions, each of which is responsible for a certain area of work and services the relevant WTO body. The Secretariat comprises approximately 500 staff members. At the head of the Secretariat is a Director-General, appointed by the Ministerial Conference.

### **11. Where is the WTO based?**

The WTO Headquarters are in Geneva, Switzerland. Its address is: Rue de Lausanne 154, CH-1211 Geneva 21, Switzerland.

### **12. What is function of WTO secretariat?**

The WTO Secretariat is located in Geneva. It has around 600 staff and is headed by its Director General, Supachai Panitchpakdi and four Deputy Directors. Its responsibilities include the servicing of WTO delegate bodies with respect to negotiations and the implementation of agreements. It has a particular responsibility to provide technical support to developing countries, and especially the least-developed countries. WTO economists and statisticians provide trade performance and trade policy analyses while its legal staff assists in the resolution of trade disputes involving the interpretation of WTO rules and precedents. Other Secretariat work is concerned with accession negotiations for new members and providing advice to governments considering membership.

### **13. What is its budget?**

The WTO budget is around 162 million Swiss Francs with individual contributions calculated on the basis of shares in the total trade conducted by WTO members. Part of the WTO budget also goes to the International Trade Centre.

### **14. What does "Single Undertaking" mean?**

Before the birth of WTO in 1995, countries under GATT had option to join one agreement and leave the others. Under WTO regime, countries have to accept obligations and enjoy rights of all multilateral agreements. They do not have the option to join one and leave the other agreements. If they become the members of the WTO, they have to accept the whole package as "single undertaking".

In case of plurilateral agreements such as "Trade in Civil Aircraft and Government Procurement", these are optional and are applicable to the countries who become signatory to these agreements.

## **15. What does MFN mean?**

It means, "favour one favour all". If a country extends any concession or privilege to any country, it would automatically and unconditionally be available to all members of WTO on non-discriminatory basis. It goes so far that if two countries exchange concessions with each other and one of these countries is a member of WTO, the concession extended by member country would also be available to all other WTO members.

Illustration: Under the WTO agreements, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members. Some exceptions are allowed. For example, countries can set up a free trade agreement that applies only to goods traded within the group - discriminating against goods from outside. Or they can give developing countries special access to their markets. Or a country can raise barriers against products that are considered to be traded unfairly from specific countries. And in services, countries are allowed, in limited circumstances, to discriminate. But the agreements only permit these exceptions under strict conditions. In general, MFN means that everytime a country lowers a trade barrier or opens up a market, it has to do so for the same goods or services from all its trading partners - whether rich or poor, weak or strong.

## **16. What is National Treatment?**

National treatment is one of the basic principles of WTO which means if goods from one country have entered the territory of an other country through normal trading channels, the importing country shall accord treatment no less favourable than accorded to like products of national origin.

Illustration: Imported and locally produced goods should be treated equally-at least after the foreign goods have entered the market. The same should apply to foreign and domestic services and to foreign and local trademarks, copyrights and patents. National treatment only applies once a product, service or item of intellectual property has entered the market. Therefore, charging customs duty on an import is not a violation of national treatment even if locally produced products are not charged an equivalent tax.

## **17. How does the WTO meet?**

The Major WTO ministerial Conferences take place roughly every two years and are the WTO's highest authority. The first ministerial was held in Singapore in December 1996. The second was held in Geneva in May 1998. Seattle hosted the third ministerial conference between November and December 1999. Doha held the conference in November 2001. The last ministerial conference was held in Cancun, Mexico, in September 2003. It has been agreed that the sixth ministerial conference will be held in Hong Kong, but a date has not yet been set.

## **18. What does trade round mean?**

Trade round is a conscious decision by "Trade Ministers" of WTO members to undertake consultation on issues considered important in order to draw a multilateral framework to govern the trade.

## **19. What happened in the different rounds between 1947 and 1994?**

During the period 1947 to 1993, the contracting parties successfully concluded eight rounds of trade negotiations.

**1947 The birth of GATT.** On 30 October, the General Agreement on Tariffs and Trade (GATT) was signed by 23 nations. The Agreement contained tariff concessions agreed during the first multilateral trade negotiations and a set of rules designed to prevent these concessions from being frustrated by restrictive trade measures.

**1949 Second Round at Annecy.** From April to August at Annecy, France, the contracting parties exchanged some 5,000-tariff concessions.

**1950-51 Third Round at Torquay.** From September 1950 to April 1951, the contracting parties exchanged some

## GATT Trade Rounds

Sr. No.	Year	Place	Subjects Covered	Participating Countries
1.	1947	Geneva	Tariffs	23
2.	1949	Annecy	Tariffs	13
3.	1951	Torquay	Tariffs	38
4.	1956	Geneva	Tariffs	26
5.	1960-61	Geneva (Dillon Round)	Tariffs	26
6.	1964-67	Geneva (Kennedy Round)	Tariffs and Anti-Dumping Measures	62
7.	1973-79	Geneva (Tokyo Round)	Tariffs, non-tariff measures and "framework" agreements	102
8.	1986-93	Geneva (Uruguay Round)	Tariffs, non-tariff measures, rules, services, intellectual property rights, dispute settlement, textiles and clothing, agriculture, establishment of the WTO, etc.	123

8,7000-tariff concession in the English town, yielding tariff reductions of about 25 percent in relation to the 1948 level.

**1956 Fourth Round at Geneva** completed in May, the round produced some \$2.5 billion worth of tariff reductions.

**1960-62 Dillon Round**, Named in honour of the US Under-Secretary of State Douglas Dillon who proposed the negotiations, the fifth Round was divided into two phases. The first was concerned with negotiations with EEC member states for the creation of a single schedule of concessions for the Community, and the second was further tariff negotiations, which resulted in about 4,4000 tariff concessions covering \$4,9 billion of trade.

**1964-67 Kennedy Round**. For the first time, negotiations departed from product by product approach to an across the board of linear method of cutting tariffs for industrial goods. The working hypothesis of a 50 percent target cut in tariff level was achieved in many areas. Concessions covered an estimated total value of trade of about \$40 billion.

**1973-79 Tokyo Round**. Launched in the Japanese capital, the seventh round resulted in tariff reductions and bindings covering more than \$300 billion of trade. As a result, the weighted average tariffs on manufactured goods in the world's nine major industrial markets

declined from 7.0 to 4.7 percent. Agreements were reached on subsidies and countervailing measures, technical barriers to trade, import licensing procedures, government procurement, custom valuation, a revised anti-dumping code, trade in bovine meat, dairy products and civil aircraft.

**1986-94 Uruguay Round.** Results of the most comprehensive trade negotiations ever undertaken include average tariff cuts of 40 percent on industrial products; average increase of tariff binding from 21 to 73 percent for developing countries, from 78 percent to 99 percent for developed countries and from 73 to 98 percent for transitional economies; a comprehensive program of agricultural reform, phase out of quantitative restrictions on textiles and clothing, new agreements on trade and services, intellectual property rights, sanitary and phytosanitary measures and trade related investment measures; and strengthened agreements on safe guards, technical barriers, custom valuation, import licensing, state trading, subsidies and anti-dumping measures. The Round also strengthened the dispute settlement system and created the World Trade Organisation.

## **20. What is WTO Agreement?**

The Agreement establishing the World Trade Organization (the WTO agreement) is the legal instrument through which all countries participating in the Uruguay Round decided to create the WTO. The WTO agreement includes provisions on establishment, scope, functions and structure, relations with other organizations, secretariat, budget and contributions, legal status, decision-making procedures, including special voting procedures, amendment, definition of original members, accession, non -application, acceptance, entry into force and deposit, denunciation and final provisions. Since all the other agreements are annexed to the agreement establishing the World Trade Organisation, the expression "the WTO Agreement" is understood to cover the totality of all the agreements.

## **21. Which are the legal texts on which the WTO is based?**

The main legal "cover note" is the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, which is about one page long. The main text is the Marrakesh Agreement Establishing the World Trade Organisation and its annexes, altogether about 430 pages long.

Annex 1 covers the Multilateral Agreements on Trade in Goods (which in turn includes GATT and numerous other agreements such as those on agriculture, textiles, anti-dumping, subsidies and countervailing measures, safeguards, sanitary and phytosanitary measures, technical barriers to trade, Preshipment inspection, rules of origin, import licensing, etc.), the General Agreement on Trade in Services and the Agreement on Trade-Related Intellectual Property Rights.

Annex 2 is the Understanding on Rules and Procedures Governing the Settlement of Disputes.

Annex 3 deals with the Trade Policy Review Mechanism.

Annex 4 is the four Plurilateral Trade Agreements (i.e. agreements signed by only some of the WTO's members. Two of these were terminated in 1997. Only two remain).

Finally, there are a number of Ministerial Decisions and Declarations.

In addition, there are more than 20,000 pages of individual countries commitments on tariffs for industrial goods, tariffs and subsidies on agricultural goods and market access and other conditions for foreign service suppliers.

**In a nutshell**

**The basic structure of the WTO agreements: how the six main areas fit together — the umbrella WTO Agreement, goods, services, intellectual property, disputes and trade policy reviews.**

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

**21. What are the WTO Agreements? Describe briefly.**

The WTO's agreements are often called the Final Act of the 1986-1994 Uruguay Round of trade negotiations. This is a summary of the Agreements.

**i) Agreement on Agriculture (AOA)**

Agreement on Agriculture provides a framework for the long-term reform of agricultural trade and domestic policies over the years to come. It makes a decisive move towards the objective of increased market orientation in agricultural trade. The rules governing agricultural trade are strengthened which will lead to improve predictability and stability for importing and exporting countries alike.

**ii) Agreement on Sanitary and Phytosanitary Measures**

This agreement concerns the application of sanitary and phytosanitary measures – in other words food safety and animal and plant health regulations. The agreement recognizes that governments have the right

to take sanitary and phytosanitary measures but that they should be applied only to the extent necessary to protect human, animal or plant life or health and should not arbitrarily or unjustifiably discriminate between Members where identical or similar conditions prevail.

### **iii) Agreement on Textiles and Clothing (ATC)**

Agreement on Textiles and Clothing is an instrument to dismantle the MFA over a transitory period of 10 years, ending on 31<sup>st</sup> December 2004, after which all the trade in textiles and clothing will stand automatically integrated into GATT and thus, operate within the multilateral frame work that GATT represents.

### **iv) Agreement on Technical Barriers to Trade (TBT)**

This agreement will extend and clarify the Agreement on Technical Barriers to Trade reached in Tokyo Round of GATT. It seeks to ensure that technical negotiation and standards as well as testing and certification procedures do not create unnecessary obstacles to trade. However, it recognizes the countries have the right to adopt standards as they consider appropriate to protect human, animal or plant life or health or environment and for other consumer interests. The members are accorded the right to take necessary measures to ensure that their standards are met.

However, in order to take down the diversity, members are encouraged to use into standards whatever appropriate; without having to change levels of protection.

### **v) Agreement on Trade Related Aspects of Investment Measures (TRIMS)**

The agreement recognizes that certain investment measures restrict and distort trade. It provides that no contracting party shall apply any TRIM inconsistent with Articles III (national treatment) and XI (prohibition of quantitative restrictions) of the GATT. To this end, an illustrative list of TRIMs agreed to be inconsistent with these articles is appended to the agreement. The list includes measures which require particular levels of local procurement by an enterprise ("local content requirements") or which restrict the volume or value of imports such an enterprise can

purchase or use to an amount related to the level of products it exports ("trade balancing requirements").

#### **vi) Agreement on Implementation of Article VI (Anti Dumping)**

The agreement (Article VI of GATT) provides for the right of contracting parties to apply anti dumping measures i.e. measures against imports of a product at an export price below its "normal Value" (usually the price of the product in the domestic market of the exporting country) and if such dumped imports cause injury to a domestic industry in the territory of the importing contracting party.

#### **vii) Agreement on Implementation of Article VII (Customs Valuation)**

The Decision on Customs Valuation would give customs administrations the right to request further information of importers where they have reason to doubt the accuracy of the declared value of imported goods. If the administration maintains a reasonable doubt, despite any additional information, it may be deemed that the customs value of the imported goods cannot be determined on the basis of the declared value, and customs would need to establish the value taking into account the provisions of the Agreement.

#### **viii) Agreement on Preshipment Inspection (PSI)**

Preshipment Inspection (PSI) is the practice of employing specialised private companies to check shipment details – essentially price, quantity, quality of goods ordered overseas. Used by governments of developing countries, the purpose is to safeguard national financial interests (prevention of capital flight and commercial brand as well as customs duty evasion) and to compensate for inadequacies in administrative infrastructure.

Preshipment inspection, the practice of engaging independent entities to check shipment details, is permissible to GATT disciplines and obligations. These disciplines and obligations include non-discrimination, transparency, protection of confidential business information avoidance of unreasonable delay, etc.).

## **ix) Agreement on Rules of Origin**

The agreement aims at long term harmonization of rules of origin, other than rules of origin relating to the granting of tariff preferences and to ensure that such rules do not themselves create unnecessary obstacles to trade.

The agreement sets up a harmonization programme, to be initiated as soon as possible after the completion of the Uruguay Round and to be completed within three years of initiation. It would be based upon a set of principles, including making rules of origin objective, understandable and predictable. A Committee on Rules of Origin (CRO) would conduct the work in the WTO and a technical committee (TCRO) under the auspices of the Customs Cooperation Council in Brussels.

## **x) Agreement on Subsidies and Countervailing Measures**

The agreement contains a definition of subsidy and introduces the concept of specific subsidy – a subsidy available only to an enterprise or industry or group of enterprises or industries within the jurisdiction of the authority granting the subsidy.

The agreement establishes three categories of export subsidies, eg. Red, Amber and Green.

Red export subsidies are prohibited. Examples are exemption of export profits from income tax and interest rate concession on export credit as compared with interest rates on domestic credit. Red subsidies are actionable by trading partners. Red subsidies are subject to dispute settlement procedures. If it is found that the subsidy is indeed prohibited, it must be immediately withdrawn.

Amber export subsidies are not prohibited, but are actionable by trading partners. Actionability may arise if subsidisation can lead to following damages:

One country's subsidies have domestic industry in an importing country.

Subsidies have rival exporters from another country while competing in a 3<sup>rd</sup> Market.

Domestic subsidies in one country have exporters trying to compete in the subsidizing countries domestic market.

Green subsidies are permissible and not actionable by trading partners. It includes specific or non-specific subsidies involving assistance to

industrial researches pre-competitive development activity, assistance to disadvantage in regions or certain type of assistance for adopting existing facilities to new environmental requirements imposed by laws and/or regulations.

#### **xi) Agreement on Safeguards**

Article XIX of the General Agreement allows a GATT member to take a "safeguard" action to protect a specific domestic industry from an unforeseen increase of imports of any product which is causing or which is likely to cause, serious injury to the industry.

The agreement breaks major ground in establishing a prohibition against so called "grey area" measures, and in setting a "sunset clause" on all safeguard actions. The agreement stipulates that a member shall not seek, take or maintain any voluntary export restraints, orderly marketing arrangements or any other similar measures on the export or the import side. Any such measure in effect at the time of entry into force of the agreement would be brought into conformity with this agreement, or would have to be phased out within four years after the entry into force of the agreement establishing the WTO.

#### **xii) General Agreement on Trade in Services**

The Services Agreement, which forms part of the Final Act, rests on three pillars. The first is a Framework Agreement containing basic obligations, which apply to all member countries. The second concerns national schedules of commitments containing specific further national commitments, which will be the subject of a continuing process of liberalization. The third is a number of annexes addressing the special situations of individual services sectors.

#### **xiii) Agreement on Trade Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods**

The agreement recognizes that widely varying standards in the protection and enforcement of intellectual property rights and the lack of a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods have been a growing source

of tension in international economic relations. Rule and disciplines were needed to cope with these tensions. To that end, the agreement addresses the applicability of basic GATT principles and those of relevant international intellectual property agreements; the provision of adequate intellectual property rights; the provision of effective enforcement measures for those rights; multilateral dispute settlement; and transitional arrangements.

## **21. How do the WTO Agreements take into account the specific situation of developing countries?**

Most of the WTO's Members are developing countries. The Marrakesh Declaration adopted at the close of the Uruguay Round stresses the notably active role played by developing countries in the negotiations and notes that this "has marked a historic step towards a more balanced and integrated global trade partnership". This active participation is reflected in the results of the negotiations and the interests of developing countries are taken into account in various ways in the WTO Agreements. Part IV of the GATT contains principles, commitments and special provisions for joint action by Members towards the development of the economies of developing country Members. In addition, the Agreements often contain specific provisions for the special and differential treatment of developing countries. Longer transition periods to implement the provisions of the Agreements are also granted in many cases. Also, developing countries can benefit from technical cooperation and training provided by the Secretariat or directly by developed country Members on a bilateral basis as foreseen in various agreements.

## **22. Would the trade be free from the year 2005?**

There is a misunderstanding about the implications of WTO in 2005. It is often considered that there will not be any restriction on trade in the year 2005 and beyond. No doubt the trade would be freer and fairer from the year 2005 but the countries will still be able to control the flow of trade in goods in services through tariffs. However, there will not be any quota restrictions put forth by the importing countries on the products of exporting countries.

### **23. What would be the impact on our textile exports in the year 2005?**

There will not be any textile quota from the year 2005. The exporters will have to survive on the basis of quality and price competitiveness of their products. And exporters to compliance with non-tariff barriers imposed by the importing countries.

### **24. What is India's Role in the WTO?**

India is a founding member of the GATT (1947) it actively participated in the Uruguay Round Negotiations and is founding member of the WTO. India strongly favours the multilateral approach to trade relations and grants MFN Treatment to all its trading partners, including some who are not members of WTO. Earlier, India participated actively in the Ministerial Conference held in Singapore in 1996 within the WTO, India is committed to ensure that the sectors in which the developing countries enjoy a comparative advantage are adequately opened up to international trade and also that the special and differential Treatment Provisions for developing countries under the different WTO Agreements are translated into specific enforceable dispensations, in order that developing countries are facilitated in their developmental efforts. India feels that the multilateral system would itself gain if it adequately reflected these concerns of the developing countries, so as to create the necessary impetus to enable developing country members to catch up with their developed country counterparts.

### **25. What is the India's WTO Commitment?**

**Bindings:** Under the Uruguay Round India has bound 67% of all its tariff lines, where as prior to that only 6% of tariff lines were bound. The bindings range from 0 to 300% for agricultural products from 0 to 40% for other products. Under the Uruguay Round manufactured products were bound at 25% on intermediate goods and 40% on finished goods.

The phase reduction to these bound levels from the very high levels prevailing in 1990, is where necessary, in installments over the period March 1995 to the year 2005. In Textiles where reductions will be achieved over ten years. India has reserved the right to duty levels

prevailing in 1990, if the integration process envisaged under the Agreement on Textile and Clothing does not materialize in full or is delayed. Finally in agriculture, where, except for a few goods. India's bound rates range from 100 to 300%. India is in the process of renegotiating some of its tariff bindings. Many applied tariffs are below the Uruguay Round levels.

## **26. How one can get information about WTO?**

One can contact Ministry of Commerce, Website: <http://commerce.nic.in>. The WTO has an Internet Website which contains a wealth of information about the WTO agreements and the structure and work of Organisation. A number of WTO documents can also be downloaded directly from the Website. The WTO Website is located at <http://www.wto.org>. The information and media relations division can be contacted at World Trade Organization rue de Lausanne 154, CH-1211 Geneva 21, Switzerland.

## **27. How Many Countries are the members of WTO?**

As of 16<sup>th</sup> February 2005, 148 countries are its members while some 30 countries are in the process of accession and have observer status in WTO. Its Director-General is Supachai Panitchpakdi from Thailand.

The following is a list of the WTO member countries:

Albania (08.09.2000),  
Angola (23.11.1996),  
Antigua and Barbuda (01.01.1995),  
Argentina (01.01.1995),  
Armenia (05.02.2003),  
Australia (01.01.1995),  
Austria (01.01.1995),  
Bahrain, Kingdom (01.01.1995), Bangladesh (01.01.1995),  
Barbados (01.01.1995),  
Belgium (01.01.1995),  
Belize (01.01.1995),  
Benin (22.02.1996),  
Bolivia (12.09.1995),  
Botswana (31.05.1995),  
Brazil (01.01.1995),  
Brunei Darussalam (01.01.1995), Bulgaria (01.12.1996),

Burkina Faso (03.06.1995),  
Burundi (23.07.1995),  
Cambodia (13.10.2004),  
Cameroon (13.12.1995),  
Canada (01.01.1995),  
Central African Republic (31.05.1995),  
Chad (19.10.1996),  
Chile (01.01.1995),  
China (11.12.2001),  
Colombia (30.04.1995),  
Congo (27.03.1997),  
Costa Rica (01.01.1995),  
Cote d'Ivoire (01.01.1995),  
Croatia (30.11.2000),  
Cuba (20.04.1995),  
Cyprus (30.07.1995),  
Czech Republic (01.01.1995), Democratic Republic of the Congo (01.01.1997),  
Denmark (01.01.1995),  
Djibouti (31.05.1995),  
Dominica (01.01.1995),  
Dominican Republic (09.03.1995),  
Ecuador (21.01.1996),  
Egypt (30.06.1995),  
El Salvador (07.05.1995),  
Estonia (13.11.1999),  
European Communities (01.01.1995), Fiji (14.01.1996),  
Finland (01.01.1995),  
Former Yugoslav Republic of Macedonia (FYROM) (04.04.2003), France  
(01.01.1995),  
Gabon (01.01.1995),  
The Gambia (23.10.1996),  
Georgia (14.06.2000),  
Germany (01.01.1995),  
Ghana (01.01.1995),  
Greece (01.01.1995),  
Grenada (22.02.1996),  
Guatemala (21.07.1995),  
Guinea (25.10.1995),  
Guinea Bissau (31.05.1995),  
Guyana (01.01.1995),  
Haiti (30.01.1996),  
Honduras (01.01.1995),  
Hong Kong,  
China (01.01.1995),  
Hungary (01.01.1995),  
Iceland (01.01.1995),

India (01.01.1995),  
Indonesia (01.01.1995),  
Ireland (01.01.1995),  
Israel (21.04.1995),  
Italy (01.01.1995),  
Italy (01.01.1995),  
Jamaica (09.03.1995),  
Japan (01.01.1995),  
Japan (01.01.1995),  
Jordan (11.04.2000),  
Kenya (01.01.1995),  
Korea, Republic (01.01.1995),  
Kuwait (01.01.1995),  
Kyrgyz, Republic (20.12.1998),  
Latvia (10.02.1999),  
Lesotho (31.05.1995),  
Liechtenstein (01.09.1995),  
Lithuania (31.05.2001),  
Luxembourg (01.01.1995),  
Macao, China (01.01.1995), Madagascar (17.11.1995),  
Malawi (31.05.1995),  
Malaysia (01.01.1995),  
Maldives (31.05.1995),  
Mali (31.05.1995),  
Malta (01.01.1995),  
Mauritania (31.05.1995),  
Mauritius (01.01.1995),  
Mexico (01.01.1995),  
Moldova (26.07.2001),  
Mongolia (29.01.1997),  
Morocco (01.01.1995),  
Mozambique (26.08.1995),  
Myanmar (01.01.1995),  
Namibia (01.01.1995),  
Nepal (23.04.2004),  
Netherlands – For the Kingdom in Europe and for the Netherlands Antilles  
(01.01.1995),  
New Zealand (01.01.1995),  
Nicaragua (03.09.1995),  
Niger (13.12.1996),  
Nigeria (01.01.1995),  
Norway (01.01.1995),  
Oman (09.11.2000),  
Pakistan (01.01.1995),  
Panama (06.09.1997),  
Papua New Guinea (09.06.1996), Paraguay (01.01.1995),

Peru (01.01.1995),  
Philippines (01.01.1995),  
Poland (01.07.1995),  
Portugal (01.01.1995),  
Qatar (13.01.1996),  
Romania (01.01.1995),  
Rwanda (22.05.1996),  
Saint Kitts and Nevis (21.02.1996), Saint Lucia (01.01.1995),  
Saint Vincent & the Grenadines (01.01.1995),  
Senegal (01.01.1995),  
Sierra Leone (23.07.1995),  
Singapore (01.01.1995),  
Slovak Republic (01.01.1995), Slovenia (30.07.1995),  
Solomon Islands (26.07.1996),  
South Africa (01.01.1995),  
Spain (01.01.1995),  
Sri Lanka (01.01.1995),  
Suriname (01.01.1995),  
Swaziland (01.01.1995),  
Sweden (01.01.1995),  
Switzerland (01.07.1995),  
Chinese Taipei (01.01.2002), Tanzania (01.01.1995),  
Thailand (01.01.1995),  
Togo (31.05.1995),  
Trinidad and Tobago (01.03.1995), Tunisia (29.03.1995),  
Turkey (26.03.1995),  
Uganda (01.01.1995),  
United Arab Emirates (10.04.1996), United Kingdom (01.01.1995),  
United States of America (01.01.1995),  
Uruguay (01.01.1995),  
Venezuela (01.01.1995),  
Zambia (01.01.1995),  
Zimbabwe (05.03.1995)



