

The Impact of the World Trade Organization's Decisions on the Indian Economy

Ekta¹ and Dr. Rupak Srivastava²

Research Scholar, Department of Commerce¹

Research Guide, Department of Commerce²

OPJS University, Churu, Rajasthan, India

Abstract: *With regard to international commerce, the World commerce Organization (WTO), which was established on January 1, 1995, has immense potential for the whole global economy. The new international trade regulations, which will be enforced by this organization, will apply to the almost \$5 trillion in goods and services traded internationally in 1994.*

"The WTO binds nations in a global cooperative endeavor to raise income and create good jobs through fair and open trade," stated Peter Sutherland, the organization's first director general. The most recent issue of GATT/WTO New (January 1995) noted that after seven years of negotiations involving more than 120 countries and through the WTO agreements and market access commitments, the new global trade rules were achieved; by the year 2008, world income is anticipated to increase by over 800 billion dollars annually, as is annual global trade.

Keywords: Services, Trade, Economy, Impact, Organization.

I. INTRODUCTION

World Trade Organization and Indian Economy:

The following ways in which the World Trade Organization is helping to implement the new international trade regulations:

- **Trade Agreement:-** The 28 agreements included in the final act of the Uruguay Round as well as a number of plurilateral agreements, one of which involves government procurement, are administered by the WTO via different councils and committees.
- **Tariffs Rules:-** The WTO also controls the implementation of major tariff reductions (of 40 percent or more on average) and a scaling out of non-tariff trade restrictions.
- **Trade Watch Dog:-** The WTO routinely assesses the trade regimes of individual members as a watchdog of global commerce. Members of its many bodies call attention to other people's proposed or draft policies that can cause disputes. Members must also inform the WTO in detail of a variety of trade metrics and statistics that are kept in a sizable database.
- **Various Conciliation Norms:-** The WTO provides several conciliation mechanisms for finding an amicable solution to trade conflicts that can arise among members.
- **Trade Disputability Settlement :-** Trade disputes that cannot be solved through bilateral talks are adjudicated under the WTO Dispute Settlement Court Panels of Independent expert are established to examine disputed in the light of WHO rules and provide rulings .This tougher streamlined procedure ensures equal treatment for all training patterns and encourages members to live up to their obligations.
- **WTO is consultant body:-** The WTO is a management consultant for world trade. Its economists keep a close watch on the pulse of the global economy and provide studies on the main trade issues of implementation or Uruguay Round results through a newly established Development division and strengthened technical co-operation and training division.
- **Checks Of Trade Barriers:-** The WTO will be forum where countries continuously negotiate exchange of barriers all over the world. And the WTO already has a substantial agenda for further negotiations in many areas.

The World Trade Organization (WTO) is a group with the goal of regulating and liberalizing global commerce. The Marrakech Agreement established the organization, which replaced the General Agreement on Tariffs and Trade (GATT), which began operations in 1948, on January 1, 1995. The organization regulates trade among member nations; it offers a framework for negotiating and formalizing trade agreements, as well as a process for resolving disputes that aims to ensure participants abide by WTO agreements, which are signed by representatives of member governments and ratified by their parliaments.[4][5] The majority of the issues that the WTO is most concerned with stem from earlier trade discussions, particularly the Uruguay Round (1986–1994).

The organization is now working to continue the Doha Development Agenda (also known as the Doha Round), a trade discussion that was started in 2001 to improve the equitable participation of poorer nations, who make up the majority of the world's population. The talks has been hampered by "disagreement between exporters of agricultural bulk commodities and countries with a significant proportion of subsistence farmers on the precise terms of a 'special safeguard measure' to protect farmers from increases in imports," according to a report. The Doha Round's future is questionable at the moment.

On the grounds that, firstly, the WTO's membership will be more international than the GATT's, it may be anticipated that the WTO will be distinct from and superior to the GATT. Around 150 nations and territories now have membership on the table, and many more are actively contemplating joining.

Second, the WTO has a far broader scope than its predecessor, including commercial activities like trade in services, the flow of ideas within the framework of intellectual property protection, and investment into the multilateral trading system for the first time.

This infected organization, the WTO, has had difficulties and hardships. However, the organization has handled the pressures and adversities it faced in its early years fairly successfully. It is already showing encouraging indicators of developing into a strong entity that will be essential to the future growth of global commerce and the economy.

Dispute Settlement Mechanism of WTO

Due to the countries' increasing market competitiveness, the WTO now provides a far more potent tool for resolving trade disputes. A trade dispute resolution system is desperately needed in the current environment of frequent arguments and conflicts among trading partners. The WTO now has the obligation to provide such a system.

According to a recent WTO report, developing countries are increasingly using the multilateral dispute-settlement process more often than wealthy ones. More so than the General Agreement on Tariffs and Trade, the World Trade Organization has taken note of such a shift. At the request of the Philippines and Costa Rica, the Dispute Settlement Body (DSB) constituted two panels on March 5, 1996. The DSB decision increased the number of WTO panels that are now in operation to four, with developing country complainants involved in three of them.

The first WTO dispute, which was resolved bilaterally, included Singapore and Malaysia, both developing nations. Contrarily, a thorough review reveals that the great majority of GATT dispute-settlement cases included industrialized nations.

The WTO's dispute-settlement process has been improved over the GATT's, which has made it easier for all members to file formal complaints.

These improvements include:-

The creation of panels, the adoption of their findings, and precise deadlines are all done almost effortlessly.

The WTO is now exerting every effort to reach agreement on contentious and important issues like the inclusion of social clause on trade agenda. The immediate problem, according to M^{Nr}. Renato Ruggiero, Director General of the Geneva-based WTO, is to get agreement on the topic of trade and labor standards in order to prevent this from turning into a contentious issue.

Compared to the previous accord, the new WTO agreement doubles the amount of public procurement that is available to international competition. It is still simply a pluri-lateral agreement with a small membership, nevertheless.

The WTO's role as the third pillar of international economic relations, as well as its advantages:-

The World Trade Organization (WTO), in addition to the World Bank and the IMF, is today regarded as the third pillar in post-World War II international economic relations. There will be three primary legal documents for the WTO. The General Agreement on Tariffs and Trade (GATT), as well as the General Agreement on Trade in Services (GATS),

and the agreement on Trade-Related Intellectual Property Rights (TRIPS), as well as any related agreements and legal precedent.

The WTO's Ministerial Conference, which alone will have the capacity to make decisions on any issues under any of the agreements covered by the WTO, is its highest decision-making body, which is a particularly notable aspect. The General Council would perform its duties, including serving as the Dispute Settlement Body, in between sessions of the Ministerial Conference.

Trade analysts argue that the large reductions in tariff and non-tariff barriers agreed in the round would provide the global trading environment a new vigor and vitality in response to the WTO's founding and the adoption of the Final Act by various nations.

Increasing market access chances may be seen as one of the WTO's advantages in the context of its liberalized economic policies.

As a result, the World commercial Organization (WTO) will improve the institutional foundation for commercial interactions between its members. Accordingly, a new trade regime was probably going to develop with the creation of the WTO.

II. HISTORY OF W.T.O

John Maynard Keynes and Harry White at the Bretton Woods Conference - The IMF (for monetary and fiscal concerns), the World Bank (for financial and structural issues), and the ITO (for international economic cooperation) were the three organizations that both experts strongly advocated for the creation.

The General Agreement on Tariffs and Trade (GATT), which preceded the World Trade Organization (WTO), was established following World War II in response to the emergence of other new multilateral institutions devoted to fostering international economic cooperation, most notably the Bretton Woods institutions known as the World Bank and the International Monetary Fund. The International Trade Organization, an analogous global trade organization, was successfully negotiated. The International Trade Organization (ITO) was to be a specialized organization of the United Nations that dealt with both direct and indirect trade-related concerns, such as investment, employment, unfair business practices, and commodity agreements. However, the U.S. and a small number of other signatories did not endorse the ITO pact, and it was never put into action.

The GATT would eventually "transform itself" into a de facto international organization in the absence of such an organization for trade.

First ministerial conference

Main article: 1996 WTO Ministerial Conference

Singapore hosted the first ministerial meeting in 1996. Its main goal was to kick off a worldwide trade initiative among trading states to remodel the General Agreement's structure, methods, and achievements since its founding in 1948.

Four problems raised during the meeting that later came to be known as the "Singapore issues" gave rise to disagreements, mostly between established and developing nations.

Second ministerial conference

Main article: WTO Ministerial Conference of 1998 was held in Geneva in Switzerland.

Third ministerial conference

Main article: WTO Ministerial Conference of 1999 The Third conference in Seattle, Washington ended in failure, with massive demonstrations and police and National Guard crowd control efforts drawing worldwide attention.

Fourth ministerial conference

Main article: WTO Ministerial conference of 2001

Was held in Doha In Persian Gulf nation of Qatar. The Doha Development Round was launched at the conference. The conference also approved the joining of China, which became the 143rd member to join.

Fifth ministerial conference

Main article: WTO Ministerial Conference of 2003 The ministerial conference was held in Cancun, Mexico, aiming at forging agreement on the Doha round. An alliance of 22 southern states, the G20 (led by India, China and Brazil), resisted demands from the North for agreements on the so-called “Singapore issue” and called for an end to agricultural subsidies within the EU and the US. The talks broke down without progress.

Sixth ministerial conference

WTO Ministerial Conference 2005 has further information on this subject. During the period of December 13–December 18, 2005, Hong Kong hosted the sixth WTO meeting Ministerial. If the four-year-old Doha Development Agenda discussions were to go far enough to wrap up the round in 2006, it was thought crucial. Countries committed at this summit to phase out all agricultural export subsidies by the end of 2013 and to stop providing any cotton export subsidies by the end of 2006. Additional perks for developing nations included a deal to implement duty-free and tariff-free access. According to the European Union's Everything But Arms policy, but with up to 3% of tariff lines exempted, for products from the Least Developed Countries. By the end of 2006, more negotiations on other significant issues were expected to be concluded.

III. IMPLEMENTATION OF RELATED ISSUE IN WORLD TRADE ORGANIZATION (WTO)

It is a complicated process to resolve implementation concerns connected to numerous WTO accords' compulsions. India has continued to apply constant pressure, along with other like-minded developing nations, to resolve implementation issues relating to various perceived imbalances and asymmetry in current WTO agreements and to effectively implement various special and differential treatment provisions for developing nations.

Issue related to Agriculture:

Agriculture trade liberalization on a non-subsidized basis is a crucial and challenging topic for WTO discussions. The negotiating process started in the year 2000, as required by Article 20 of the WTO Agreement on Agriculture.

Trade in Services:

According to WTO rules, emerging nations with sufficient human resources, like India, may trade services more advantageously with industrialized nations in a variety of industries, including construction.

REFERENCES

- [1]. G.M. Meier, The International Environment of Business Oxford University Press New York, 1998 p. 4
- [2]. M.E. Porter “Om Competition,” New York Free Press – 1998
- [3]. Pradhan J.P. “Global Competitiveness of Indian Pharmaceuticals Industry, New Delhi
- [4]. A.M. Rugman and A. Verbeke “A Prospective of Regional and Global Strategies P.18
- [5]. P. Ghemawat “Regional Strategies for Global Leadership” Harvard Business Review, 2005, Vol. 83, No. 12, Page 98
- [6]. Glueck and Jauch “Business Environment” p. 241
- [7]. C.K. Prahalad “The Fortune at the Bottom of the Pyramid” Wharton School Publishing P. 81
- [8]. B.K. Kadia & S. Lahiri “Indian Business Group” Journal & Management 2006, P. 23