

World Trade Organization(WTO).

What is the WTO?

- The **World Trade Organization (WTO)** is an **international organization** that helps countries trade with each other **fairly and smoothly**.
- It was created in **1995**, replacing the **GATT** (General Agreement on Tariffs and Trade).
- Headquarters: **Geneva, Switzerland**.

Main Purpose of the WTO

The WTO aims to make world trade:

- **Freer** – by reducing barriers like tariffs.
- **Fairer** – by setting equal rules for all countries.
- **Predictable** – by creating stable trade agreements.

Goal: Make global trade run more easily and peacefully.

Main Functions

1. **Creates Trade Rules** – Members agree on fair trade standards.
2. **Settles Disputes** – Helps solve disagreements between countries.
3. **Supports Developing Countries** – Offers training and trade opportunities.
4. **Monitors Trade Policies** – Ensures members follow the rules.

Why the WTO is Important

- Encourages **economic growth and jobs**.
- Prevents **trade wars**.
- Ensures **fair competition**.
- Helps **developing countries** take part in global trade.
- Promotes **stability and cooperation** among nations.

Examples

- The WTO has helped solve trade disputes between countries (e.g., U.S. and China).
- It has helped reduce tariffs on goods like food, cars, and technology.

Criticisms of the WTO

- Some say it **favors rich countries** over poor ones.
- **Environmental and labor issues** are not always protected.
- It can **limit national sovereignty** — countries must follow global rules.