

Introduction

The World Trade Organization (WTO) came into existence on 1 January 1995 as a result of the Uruguay Round of Trade Negotiations. It is responsible for overseeing the multilateral trading system which has gradually evolved over the last 50 years. WTO also provides a forum for continuing negotiations to liberalize the trade in goods and services through the removal of barriers and to develop rules in new trade-related subject areas. The WTO Agreements have a common dispute settlement mechanism through which Members enforce their rights and settle the differences that arise between them in the course of implementation.

The improved and strengthened rule-based system that has come into existence with the establishment of WTO is designed to promote the expansion of international trade. The system's primary goal is to provide liberal, secure and predictable access to foreign markets for the goods and service products of exporting enterprises. The system helps to ensure that enterprises can market their products internationally under conditions of competition that are equitable and without the disruptions caused by the sudden imposition of restrictions. The rules give industries and business enterprises certain rights *vis-à-vis* their own governments, and grant exporters in some cases the right to defend their interests in their export markets against the imposition of measures affecting their trade.

Almost all countries – whether developed, developing, least developed or transitional – are now pursuing market-oriented policies, opening up their industries to international competition. In some developing countries, virtually all industries, large and small, today depend on foreign trade either as exporters or as importers. They have therefore the same vital interest as their counterparts in developed countries in seeing that the uniform rules embodied in the WTO legal instruments are applied by all countries.

The ability of industries and business enterprises to benefit fully from this rule-based system in today's rapidly globalizing economy depends on their knowledge and understanding of the detailed rules. These rules are both voluminous and complex. The texts of the legal instruments run to over 400 pages. They are supplemented by more than 22,000 pages of national schedules which list the specific liberalization commitments assumed by WTO member countries. It is usually difficult for business persons not familiar with the system to understand its legal language.

The Guide

This *Business Guide to the World Trading System* seeks to explain the system. It begins with an overview, which gives the reader an overall picture of the WTO legal system and of the benefits that the business community can derive from improved knowledge and understanding of the system.

The overview should be useful to those who wish to have a general idea of the system but whose needs do not call for a detailed knowledge of its rules. For those who require a deeper understanding, the overview should make it easier to follow the detailed explanations given later in the Guide.

The Guide is divided into six main Parts:

- ❑ Part One explains the role of the WTO as a forum for negotiations and as an organization responsible for reducing trade friction among countries and for settling disputes between them.
- ❑ Part Two, consisting of 15 chapters, presents the rules applicable to trade in goods as embodied in GATT 1994 and its associate Agreements. It also describes the results of the negotiations in terms of the liberalization of the trade in goods.
- ❑ Part Three reviews the main features of the rules of the General Agreement on Trade in Services and of the commitments that countries have assumed to liberalize this trade.
- ❑ Part Four explains the rules applicable to government procurement and State trading.
- ❑ Part Five describes the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights.
- ❑ Part Six looks at the new subject areas on which analytical work is being carried out to determine whether negotiations within WTO on the development of new rules to cover their trade-related aspects would be desirable.

Most of the 20 chapters in Parts One to Five begin with a short summary of the main rules and related issues. This is followed by a more detailed description of the rules applicable to the respective subject areas. To facilitate reference to the provisions of the WTO legal instruments, the numbers of the relevant Articles are set out in the margins. Most chapters end with an analysis of the business implications of the issues covered.

Chapters 21 to 26 in Part Six describe the differing views that are being expressed in the discussions that are currently taking place in six new subject areas.

References and up-to-date information

The WTO Web site (<http://www.wto.org>) provides a continually updated source of information on the rules of the world trading system, the problems and issues that have arisen in their implementation, and the development of WTO's work. Business enterprises can obtain from this Web site information on WTO laws, enquiry and information points, the specific liberalization commitments undertaken by individual countries, and WTO's ongoing work.

To complement the above information on the WTO legal framework, ITC has created a Web page focusing on the business implications of the world trading system under its main Web site (<http://www.intracen.org>). It contains information on ITC activities within its World Trade Net programme as well as reference and training materials on selected business issues of the trading system.