

WORLD TRADE ORGANIZATION (WTO)

Established	1 January 1995
Location	Geneva, Switzerland
Purpose	<ul style="list-style-type: none"> • To ensure the implementation and supervision of multilateral and multiple trade agreements that constitute the WTO, • To create a forum where multilateral trade negotiations are carried out • Providing solutions to commercial discrepancies, • To trace the national trade policies of member countries, • To cooperate with other international organizations related to global economic policy, • To help integrate developing and transitioning period economies with the multilateral trading system
Membership	There are 164 members.
Director -General	Roberto Carvalho de AZEVEDO
Budget	197 million Swiss francs (2017) (approximately US \$ 210 million)
Official language	English, French, Spanish
Working staff	634
Relations with Turkey	<p>Turkey has signed in Marrakesh agreement establishing the WTO at the end of the Uruguay Round. In accordance with the decree of the Council of Ministers, Turkey has been as a founding member of the WTO since 26 March 1995.</p> <p>Turkey which is located in the developing countries group in WTO is ahead of other developing countries members on the liberalization of international trade far beyond its commitments of Uruguay Tour under the Customs Union agreed with the EU since 01 January 1996.</p>

1.General Information

The World Trade Organization is a continuation of the General Agreement on Tariffs and Trade (GATT) system, which was signed by 23 countries in 1947. The WTO is the legal and institutional body of the multilateral trading system. The WTO provides a legal framework for

how governments should make internal trade laws and regulations and is a platform through which trade relations between countries are developed through collective negotiations and negotiations. In this context, it is the only international organization that disciplines international trade globally.

Within the scope of the negotiations tours conducted under the GATT and aimed at liberalizing trade, at the end of the negotiation process called Uruguay Tour, including 29 separate multilateral legal documents / agreements and 25 Ministerial Declarations, WTO was established with the World Trade Organization Agreement which signed on 15 April 1994 in Marrakesh and entered into force on 1 January 1995.

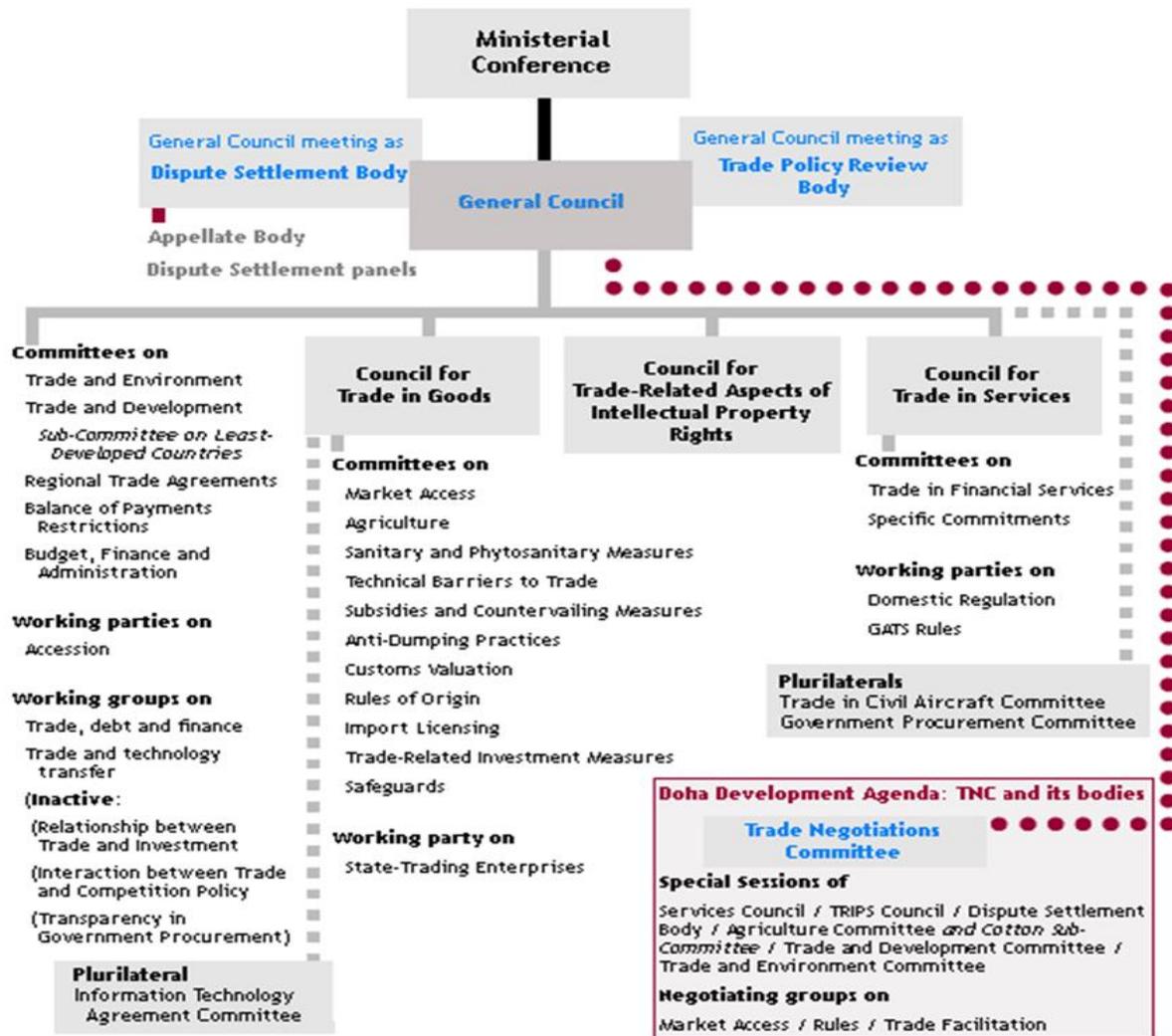


Figure 19. The structure of WTO

Decisions in the WTO are taken by different levels of Councils and Committees of all member states. The highest authority of the Organization is The Ministerial Conference on taking

measures. The Ministerial Conference is held at least once every two years. As being the first one in Singapore and the last one in Argentina, there has been eleven Ministerial Conference. The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements.

With respect to the Agreement Establishing the WTO, The General Council acts on behalf of the Ministerial Conference on all WTO affairs in the periods that the Ministerial Conference is not held. Moreover, The General Council meets as the Dispute Settlement Body and the Trade Policy Review Body.

Table 5. Objectives and Functions of the WTO

OBJECTIVES OF THE WTO	FUNCTIONS OF THE WTO
<ul style="list-style-type: none"> • Liberalization of the trade, • Improve economic relations between member states, • Raising living standards, • Achieving full employment, • Expanding the production of and trade in, goods and services • Sustainable development 	<ul style="list-style-type: none"> • Administering implementation and monitoring of multilateral or plurilateral agreements of WTO • A multilateral forum to negotiate rules of international trade. • A place for settling trade disputes • Reviewing Members' trade policies • Ensuring greater coherence in global economic policy-making, including cooperating with other international organizations • Provide assistance on the integration of under developing and transition economies to multilateral trade system

Principles of trade system in the scope of the WTO establishing Agreement is important and they must not be violated by the member countries. These are;

- Non-discrimination
 - ✓ Most Favoured Nation
 - ✓ The National treatment
- Reciprocity
- Consolidation of Tariff Schedules by reducing them
- Protection through tariffs

WTO rules covers the agricultural goods and textile and clothing products what are deemed as sensitive sectors. The rules under agriculture covers market Access, domestic supports, export subsidies and food safety, plant and animal health.

2. The WTO Agreements

The WTO Agreements are annexes of the Agreement Establishing, structure and operation of the World Trade Organization. It includes about 60 agreements, annexes, decisions and understandings, and the commitments individual countries made on tariffs and services.

Other WTO Agreements also discipline trade in agricultural products. Those with the biggest impact on trade in agricultural products are:

- The Agreement on Trade Related Aspects of Intellectual Property Rights or the TRIPs Agreement
- The General Agreement on Trade in Services, GATS
- The General Agreement on Tariffs and Trade, GATT
 - ✓ The Agreement on Technical Barriers to Trade or the TBT Agreement,
 - ✓ The Agreement on the Application of Sanitary and Phytosanitary Measures or the SPS Agreement
 - ✓ The Agreement on Agriculture

TBT, SPS Agreements and the Agreement on Agriculture are the most important agreements on trade in goods under GATT.

2.1. The Agreement on Trade-Related Aspects of Intellectual Property Rights

Trade-Related Aspects of Intellectual Property Rights (TRIPS) which was adopted as an Annex of the WTO establishing Agreement reached in the Uruguay Round multilateral negotiations (1986-1994) introduced intellectual property law into the international trading system for the first time in 1995.

Importance of the TRIPS which relate, respectively, to the Paris Convention and to the Berne Convention, originate from the function of filling the gaps where the pre-existing conventions are silent or were seen as being inadequate and its being more comprehensive in terms of scope-sanction.

The goals of the TRIPS Agreement are the reduction of distortions and impediments to international trade, and ensuring that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. To this end, recognition of intellectual property rights, necessary protection of them and identification of minimum standards within the context of protection of intellectual property rights belonging to member countries in the national plans and to each other are involved in the scope of the Agreement. As being a framework Agreement, countries are obliged to comply with the standards of TRIPS while preparing their national legislation.

“Intellectual property” refers to 7 categories:

1. Copyright
2. Trademarks
3. Geographical Indications
4. Industrial Designs
5. Patents
6. Layout-Designs (Topographies) of Integrated Circuits
7. Protection of Undisclosed Information

Intellectual property rights are considered under seven categories:

1. Copyrights and related rights.
2. Trademarks.
3. Geographical signs.
4. Industrial wireframe.
5. Patents.
6. Microchip design.
7. Protection of unexplained information.

2.2. The General Agreement on Trade in Services (GATS)

GATS is the first multilateral agreement regulating trade in services. The creation of the GATS is one of the landmark achievements of the Uruguay Round, whose results entered into force in January 1995. GATS, regulating trade in services is a more comprehensive but less flexible agreement than GATT, regulating trade in goods.

GATS provides predictability by setting forth the legal framework concerning minimum market access conditions in international trade in services. The entire trade in services is subject to GATS rules except services provided by the government. The government services are required to be non-competitive with the other service providers in order to be exempt from GATS rules.

GATS collects sectors in trade in services under 12 main topics:

1. Business;
2. Communication;
3. Construction and Engineering;
4. Distribution;
5. Education;
6. Environment;
7. Financial;
8. Health;
9. Tourism and Travel;
10. Recreation, Cultural, and Sporting;

11. Transport;

12. Other

The coverage of the agricultural heading by "other service areas" may be misleading. Since the agricultural sector is divided into many different branches, its connection with the GATS is more than it is at first sight. For example; while jockey and veterinary services is included in "professional services"; wholesale and retail sales will be included in the "distribution" heading.

23 WTO member countries¹ including our country, which accounts for 70% of international trade in services, has begun negotiations under the " Trade in Services Agreement" to liberalize trade in services at a higher level than GATS. These talks are called TISA negotiations. In case of the negotiations ended successfully, it is aimed to acquire a multilateral character in the agreement.

2.3. The Technical Barriers to Trade Agreement (TBT)

Since our country is a party to the Multilateral Agreement on the Trade in Goods of the WTO, we have rights and obligations arising from the Agreement on Technical Barriers to Trade (TBT).

The TBT Agreement recognizes the legitimate rights of countries to establish procedures for importing product requirements (packaging, labeling, marking etc.) and confirming compliance with these requirements. Nevertheless, technical barriers to international trade should not be created in the preparation, acceptance and implementation of the procedures and principles of the standards, technical regulations and conformity assessment procedures applicable to imports; the measures to be taken are not to be implemented between countries where same conditions prevail, either arbitrarily or unambiguously, without distinction or with a hidden restriction on international trade.

The provisions of the agreement is aimed at all industrial and agricultural products with two exceptions. These are sanitary and phyto-sanitary measures subject to the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and procurement requirements for the production and consumption needs of government agencies under the Public Procurement Agreement.

In terms of understanding the TBT Agreement and its operation; non-discrimination, avoidance of unnecessary barriers to trade, harmonization, equivalence, mutual recognition, special and differential treatment and transparency rules are the guiding principles.

¹ USA; European Union, Australia; Hong Kong; Israel; Switzerland; Iceland; Japan; Canada; Colombia; South Korea; Kosta Rica; Liechtenstein; Mexico; Mauritius; Norway; Pakistan; Panama; Peru; Chile; Taiwan; Turkey; New Zealand.

Within the framework of the notification obligations of the countries, drafts of the technical regulation or conformity assessment procedure, which are deemed to be prepared and put into practice, must be notified to the WTO Secretariat through the notification authorities of the countries. A minimum of 60 days must be provided to other countries for comments.

The National Notification Authority responsible for notification obligations in our country is the Ministry of Economy.

2.4. The WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)

The SPS Agreement sets out the content and limits of measures that countries can take in order to ensure food safety and protect human, animal and plant health.

SPS measures:

- Measures aiming at ensuring food safety,
- Measures for the protection of human, animal and plant health against diseases and pests
 - ✓ Measures to protect human life and health
 - ✓ Measures to protect animal or plant life or health
- Measures to protect the territory of the Member States against the entry, settlement and spread of diseases and pests.

Principles of SPS Agreement:

- Non-discrimination
- Scientific Basis
 - ✓ Risk assessment
 - ✓ Consistency
 - ✓ Minimal trade restrictive effect
- Harmonization
- Equivalence
- Regionalization
- Transparency
- Technical assistance / special and differential treatment

Notifications can be made by two types;

1. Regular *Notification* :While the regular measures are drafted (60-day period given for comment for the other members)
2. Emergency *Notification*: they should notify immediately.

In Turkey, the Ministry of Food, Agriculture and Livestock's, General Directorate of Food and Control is duty as National Notification Authority and Enquiry Point.

2.5. WTO Agreement on Agriculture

Agreement on Agriculture, additional act for Final Act that embodying the WTO, is the most important step taken in order to establish a fair system based on the principles of free market mechanism in world agricultural commodities trade.

Enter into Force: 01/01/1995 (following the Uruguay Round)

Scope: Except for fisheries, aquaculture and forestry products, by 1-24 GTIP regulate the international trade of agricultural products such as linen, hemp, silkworm, mohair.

Objective: it is aimed controlling the trade restricting-protectionist policies; reduce protection gradually at the agricultural area.

Within the scope of this Agreement, agricultural issues; rests on three pillars "market access", "internal support" and "export competition".

1. Market Access

Due to the absence of non-tariff barriers, Turkey has not made a tariffication and has carried out only the prescribed tariff reduction over the bound rates.

2. Internal Support

In the Agriculture Agreement, agricultural subsidies, provided by countries to farmers, are categorized according to their trade distorting effects. The "box" system is adopted in the WTO jargon for easy understanding of the internal support system.

Amber Box: It is the kind of domestic support that is disruptive to trade and to which certain limits are imposed. Premiums, intervention purchases, input supports are in this category.

Our country did not make commitment to reduce "internal supports" on the grounds that, in the 1986-88 reference periods, the trade deficit support on product basis did not exceed 10% of the total production value. In terms of our country, de-minimis level is binding. For the terms of our country, for trade-distorting red box supports, de-minimis level are binding, which corresponding to 10% of total production value.

Blue Box: direct payments which are exempt from the reduction in the scope of the programs that limiting the production. Alternative product support can be assessed in this category.

Green Box: They are exempt from discount commitments with little or no detrimental effect on trade and production. Budget expenditures made by the agriculture sector such as research, pest and disease control, infrastructure services are in the green box.

3. Export Subsidies

Within the scope of export competitiveness column, the following are regulated by the Agricultural Agreement:

- Export Subsidies
- Export Credits
- Public Commercial Organizations
- Food Aid

Our country is entitled to use export subsidies for 44 products, it has agreed not to use export subsidies in future years except that 44 items. Within these 44 products, the products to be supported are published annually by the Ministry of Economy.

3. The Dispute Settlement System

In the framework of the World Trade Organization the regulation on the dispute settlement aims to bring disputes between WTO member countries as soon as possible.

In the event that a dispute between the World Trade Organization countries is formally transferred to the WTO platform, it is firstly necessary for countries to have bilateral consultations. In the event that this consultation cannot be concluded, an ad hoc ("temporary") Panel is established and the WTO General Council concludes the dispute by "Dispute Settlement Body" (DSB). The Member States may also exercise their appeal rights as a result of this decision. However, the decision of the Appeal Body will be binding.

This mechanism can only be applied to commercial disputes between states. Commercial disputes between individuals or companies are outside the mechanism.

The Mechanism of Settlement of Disputes distinguishes the WTO from other international organizations related to trade. a mechanism that functions as a court can be used to sanction various sanctions against members who do not comply with WTO rules.

The DSB has the authority to create panels, accept panel and appellate body reports, monitor the implementation of decisions and recommendations, and, where necessary, allow the concessions and other obligations under WTO Agreements to be suspended.

Although the most benefiting from the Mechanism of Settlement of Disputes seem to be the developed countries, developing countries are increasingly resorting to this mechanism in recent years.

4. WTO Doha Development Agenda Agricultural Negotiations

In accordance with Article 20 of the WTO Agreement on Agriculture, negotiations have been agreed to continue in order to increase liberalization. In this context, WTO Advanced Agricultural Negotiations started in 2000; in 2001, it was included in the Doha Development Agenda.

5. 11th Ministerial Conference of WTO

11th Ministerial Conference of World Trade Organization (WTO) was held in the capital of Argentina, Buenos Aires between December 10 and 13, 2017. Agenda of the Conference included agriculture and fishery subjects: particularly banning subsidies given to illegal, unreported and unregulated (IUU) fishing; public stocks for food security; restrictions to domestic supports and agricultural exports. However, any agreement on these subjects could not be reached at the end of negotiations.