

The World Trade Organization

(WTO)

The World Trade Organization (WTO) was created in 1995 to act as the global governing body on tariffs and trade, with the primary mission of lowering obstacles to international trade for the benefit of all countries. The WTO achieves this by providing a forum for negotiating trade agreements and creating a legal and institutional framework for monitoring and enforcing these agreements. The WTO is also charged with settling disputes that arise from putting these agreements into practice. The WTO is headquartered in Geneva, Switzerland.



The WTO currently has 164 members, including 117 are developing countries or customs territories separate from a sovereign country (for instance: a trade bloc with a customs union). Any state or customs territory with full autonomy over its trade policies may join the WTO, though existing WTO members must agree to the terms under which the state or customs territory joins. The WTO has a general council as well as several topic-specific councils, such as the Council for Trade in Goods, the Council for Trade in Services, and the Trade Negotiations Committee.

Joining the WTO had advantages and disadvantages for the U.S. Advantages included that benefit trade by creating new markets and increasing gross domestic product (GDP). It can also lower overall government spending as industries become more competitive globally and rely less on government subsidies.

Disadvantages for the U.S. in joining the WTO include that lower tariffs can lead to the outsourcing of some manufacturing and services to countries with lower/no minimum wage laws or worker protections. This makes it difficult for countries with those laws to stay competitive globally. Additionally, free trade agreements can lead to issues with intellectual property theft and even affect the environment by degrading natural resources.



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