

Q-

In the current times there are various issues which are pushing world trade organization (WTO) to brink of existential crisis. Do you agree? Give reasons to support your answer. (150 words)

WTO is the only global international organization dealing with the rules of trade between nations. It is a successor to General Agreement on Trade & Tariff (GATT).

### ISSUES :-

① China's state capitalism ⇒ China's economy system, combined with size & growth.

⇒ It's state-owned enterprises present a major challenge to free-market global trading system. Rulebook of WTO is inadequate property.

② Institutional Issues ⇒ The Appellate Body's operations have effectively been suspended since DEC 2019.

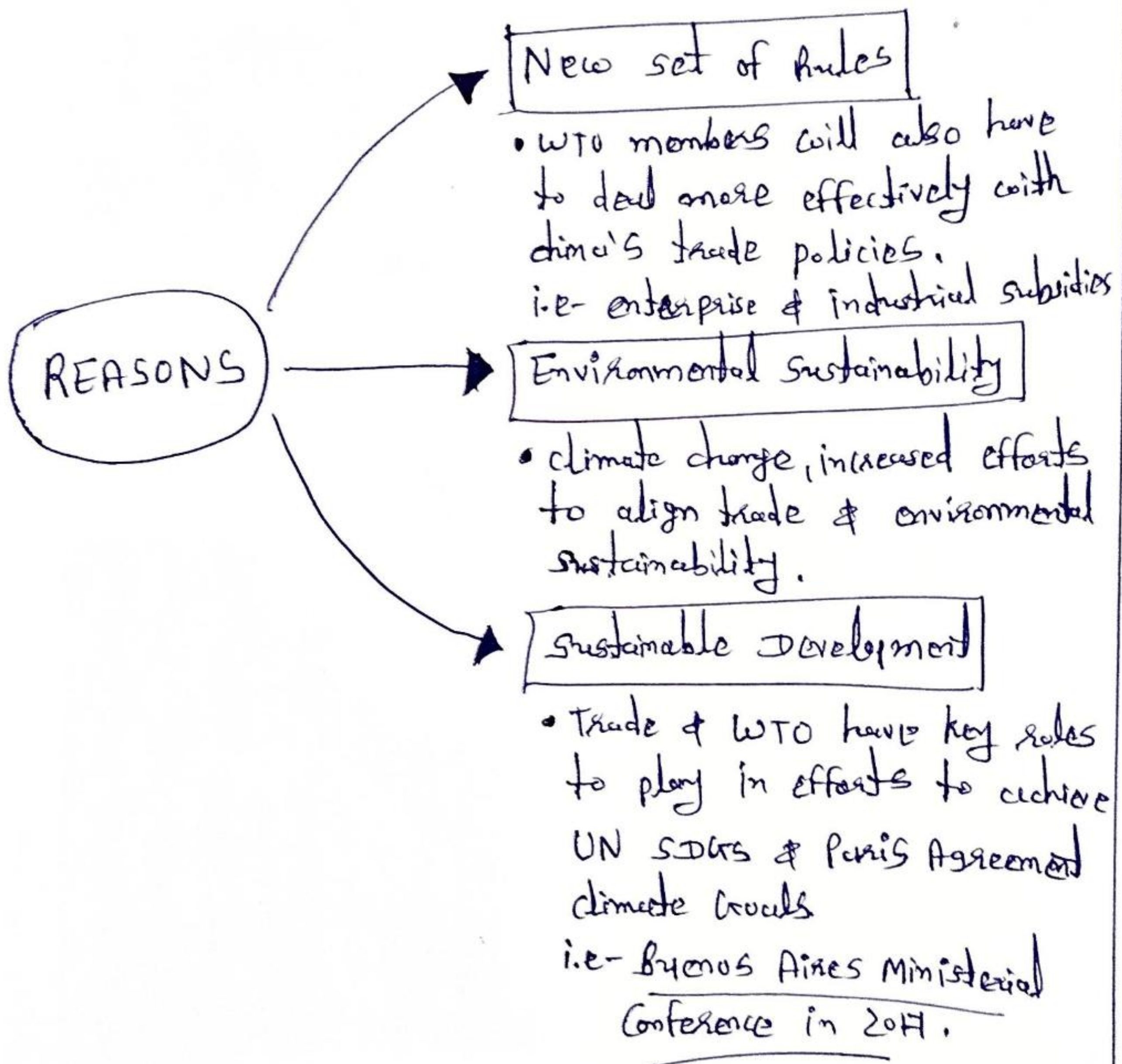
⇒ The crisis with dispute settlement function of WTO is closely linked to the breakdown in its negotiations.

③ Lack of Transparency ⇒ Members can currently self-designate as developing countries to receive 'special & differential treatment'.



(4) Agriculture & Development ⇒ Agreement on Agriculture,  
came into force in 1995. Agreement on Agri targets  
reforms of subsidies & high trade barriers, distort  
agri trade  
⇒ Agreement on Agri is facing issues due to food  
security & development.

(5) E-Commerce & Digital Trade ⇒ In 1998, e-commerce  
could play a growing role in global economy.  
Due to COVID-19, accelerates the shift to e-commerce  
rules to regulate online trade will be more important  
than ever.



In future, WTO members will have to strike a balance between moving forward with negotiations on 21<sup>st</sup> century issues & keeping sight of unresolved old trade issues such as Agri & development