

IMPACT OF WTO IN INDIAN ECONOMY

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Abstract

The World Trade Organization commonly known as WTO is the international organization whose primary purpose is to provide open trade for the benefit of all. The WTO provides a forum for negotiating agreements aimed at reducing obstacles to international trade and ensuring a level playing field for all, thus contributing to economic growth and development. The WTO also provides a legal and institutional framework for the implementation and monitoring of these agreements, as well as for settling disputes arising from their interpretation and application. The current body of trade agreements comprising the WTO consists of 16 different multilateral agreements (to which all WTO members are parties) and two different plurilateral agreements (to which only some WTO members are parties). Over the past 60 years, the WTO, which was established in 1995, and its predecessor organization the GATT have helped to create a strong and prosperous international trading system, thereby contributing to unprecedented global economic growth. The WTO currently has 164 members, of which 117 are developing countries or separate customs territories. India is a founder member of the General Agreement on Tariffs and Trade (GATT) 1947 and its successor, the World Trade Organization (WTO), which came into effect in 1995 after the conclusion of the Uruguay Round (UR) of Multilateral Trade Negotiations. India's participation in an increasingly rule based system in the governance of international trade is to ensure more stability and predictability, which ultimately would lead to more trade and prosperity for itself and the 134 other nations which now comprise the WTO. India also automatically avails of MFN and national treatment for its exports to all WTO Members. Foreign trade today has begun to play a significant part in India's economic development. India's two-way merchandise trade crossed US\$760 billion in 2013-14 or 44.1% of the GDP. If services trade is added, India's trade reached nearly US\$1 trillion. This has been achieved despite the global contraction and is indicative of India's resilience and increasing integration with the global economy. During the four-year period under review (2010-11 to 2013-14), exports grew at a compound annual growth rate of 8.0%, while imports grew by 6.8%. This research paper aims to give overview of WTO and it is necessary to replace GATT to promote global trade and highlights the benefits to execute WTO apart from this the manuscript also includes the current economic environment position of WTO on the sake of Indian economy and finally the paper include the suitable conclusion on the basis of study under review.

Keywords: *GATT, MFN, Uruguay Round, Agreement of WTO, TRIPS, TRIMS, Economic Environment.*

Introduction

The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible. The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade. The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. The WTO deals with regulation of trade between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process

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