



## A NEW ERA IN WORLD TRADE

Over the last 50 years, the world's economy has undergone a transition as fundamental as that of the Industrial Revolution. The movement of capital, goods, services and information has accelerated, ushering in a new era in trade relations between countries.

At first those relations were regulated by the General Agreement on Tariffs and Trade (GATT), adopted in 1948 by 23 of the world's trading nations. After more than fifty years and eight rounds of negotiations, average industrial tariffs have dropped from 40% to less than 4%—and global trade has increased more than a hundredfold.

But the growing economic interdependence of the world's countries and the increasing complexity of global commerce demanded a new set of ground rules and a new organization to manage them. In 1995, the World Trade Organization (WTO) was established by 128 countries; it now has 146 members.

The WTO's goal is to ensure that trade flows smoothly, freely, fairly and predictably. It administers trade agreements, settles trade disputes, acts as a forum for discussion and negotiation, and helps developing countries participate as equal members. Decisions on the negotiating agenda and final trade agreements are reached by consensus. Trade disputes are solved by impartial dispute resolution panels.

The WTO's top decision-making body is the Ministerial Conference—chiefly trade ministers from each member country meeting at least once every two years. In November 2001 Ministers met in Doha, Qatar, and launched a new round of trade liberalization negotiations that are currently underway in Geneva.

## THE "DOHA DEVELOPMENT AGENDA"

The Doha Ministerial meeting reaffirmed the international community's commitment to trade liberalization, and enunciated the "Doha Development Agenda," reflecting many of the concerns of developing countries.



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