



## 30th Anniversary of World Trade Organisation

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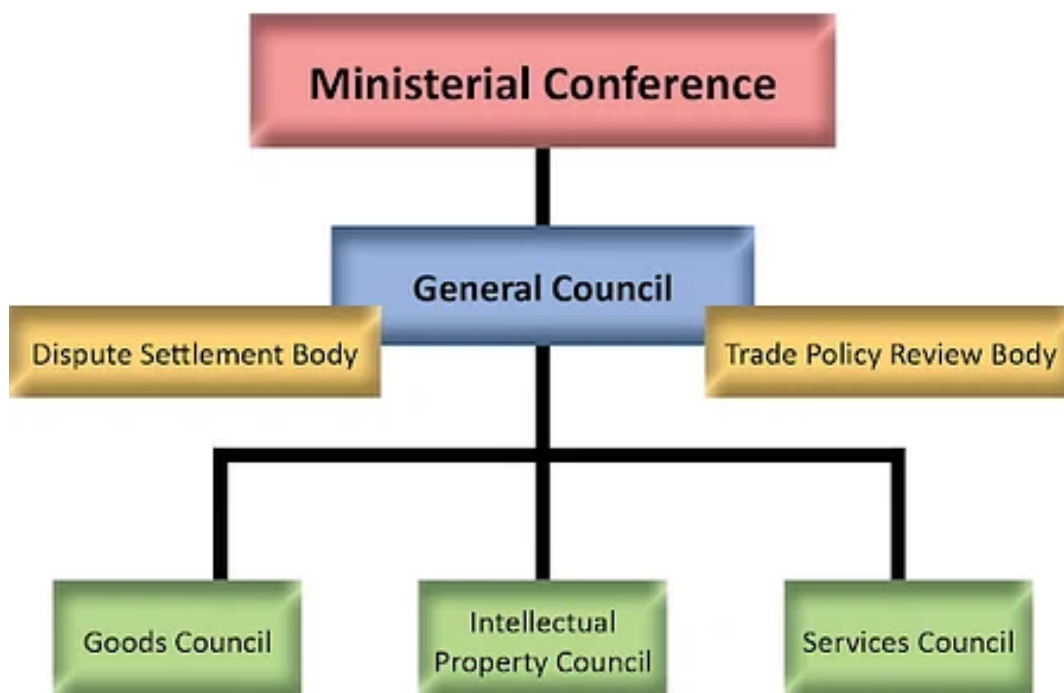
Recently, **1<sup>st</sup> January 2025** marked the **30th anniversary** of the [World Trade Organization \(WTO\)](#).

### World Trade Organization (WTO):

- **About:** WTO is an international institution formed to regulate **the rules for global trade** among nations.
  - It was formed under the [Marrakesh Agreement](#) signed on **15th April 1994** by 123 countries after the [Uruguay Round negotiations \(1986-94\)](#) of the [General Agreement on Tariffs and Trade \(GATT\)](#), leading to the **birth of WTO in 1995**.
  - **WTO succeeded the GATT** which had regulated world trade since 1948.
    - **GATT** focused on trade in goods, while **WTO** covers trade in goods, services, and intellectual property, including creations, designs, and inventions.
- **Headquarters: Geneva, Switzerland.**
- **Members: 166 countries**, representing **98% of global trade**.
- **Key Bodies:**
  - **Ministerial Conference (MC):** Highest decision-making authority.
  - **Dispute Settlement Body (DSB):** [DSB](#) resolves trade disputes.

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## Structures of WTO



## ▪ Key WTO Agreements:

- **TRIMS (Trade-Related Investment Measures):** Prohibits measures that **discriminate against foreign products**, e.g., local content requirements.
- **TRIPS (Trade-Related Aspects of Intellectual Property Rights):** [TRIPS](#) resolves disputes over **intellectual property rights**.
- **AoA (Agreement on Agriculture):** [AoA](#) promotes **agricultural trade liberalization**, focusing on market access and domestic support.
- **Other Agreements:**
  - [Sanitary and Phytosanitary Measures](#)
  - [General Agreement on Trade in Services](#)
  - [General Agreement on Tariffs and Trade](#)

# WTO AGREEMENT ON AGRICULTURE (AoA)

A WTO treaty negotiated during the Uruguay Round of the General Agreement on Tariffs and Trade (GATT); formally ratified in 1994 at Marrakesh, Morocco; Came into effect in 1995

## FEATURES

- Market access (Promote market access for agricultural products by reducing trade barriers)
- Domestic support (Subsidy Boxes are included in this)
- Export subsidies (Reduce the use of export subsidies, which can distort trade)

## SUBSIDY BOXES

### Amber Box Subsidies:

- » Can distort international trade by making a country's products cheaper in comparison to those of other countries
  - » Examples: Subsidies for inputs such as fertilisers, seeds, electricity, irrigation, and Minimum Support Price (MSP)
- » Amber box is used for all domestic support measures that are deemed to distort production and trade
  - » As a result, the signatories are required to commit to reducing domestic supports that fall into the amber box
- » Members who do not make these commitments must keep their amber box support within 5–10% of their value of production. (*De Minimis Clause*)
  - » 10% for developing countries
  - » 5% for developed countries
- » India's MSP program remains under scrutiny, as it exceeds 10% ceiling

### Blue box Subsidies:

- » "Amber box with conditions" – designed to reduce distortion
- » Any support that would normally be in the amber box is placed in the blue box if it requires farmers to limit production
  - » These subsidies aim to limit production by imposing production quotas or requiring farmers to set aside part of their land
- » At present there are no limits on spending on blue box subsidies

### Green Box Subsidies:

- » Domestic support measures that don't cause trade distortion or at most cause minimal distortion
- » These subsidies are government funded without any price support to crops
  - » Also include environmental protection and regional development programmes
- » Allowed without limits (except in certain circumstances)



Read More: [Tepid Trade-Offs: On the WTO 13th Ministerial Conference](#)

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