

**THE ROLE OF WORLD TRADE ORGANISATION IN INTERNATIONAL TRADE AND INVESTMENT\***

**Abstract**

*This paper examines the role of the World Trade Organisation (WTO) in the promotion of international trade and investment. It gives a brief historical background of the limitations and constraints of international trade prior to the establishment of the WTO. The establishment of the WTO heralded a multilateral international institution with a global face. The existence of WTO has led to the liberalisation of international trade and investment. The WTO also has well-structured institutions to ensure economic globalisation and enforcement of trade regimes amongst member states. However, the mistrust and lack of ability for states to put their economic difference aside has stalled trade negotiation rounds. The polemics between developed and developing member states have led to a proliferation of regional economic organisation which policies sometimes run foul with that of WTO. This has the potential of weakening the impact of WTO. It is thus concluded herein that, for WTO to continue to be effective and not lose its relevance, it must continue to assure its member states, especially the developing countries, of having their interest at heart by ensuring that it does not just promote free but fair trade.*

**Keywords:** World Trade Organisation, International Trade, General Agreement on Trade and Tariffs, Most Favoured Nation, National Treatment

**1. Introduction**

International law largely recognises the sovereignty of states over their internal affairs. States also exercise unfettered authority over their domestic jurisdiction. These principles are so important and generally recognised in international law that they have gained the prominence of international customary law significance. Consequently, states take full charge and determine what happens within their territory through the exercise of territorial sovereignty. The *stricto sensu* application of the above principles of international law would mean that it becomes impossible to achieve what is referred to as international committee of nations. Hence, states have to give away certain percentage of their sovereign right in order for things to work.<sup>1</sup> This is more necessary, as no state is an island of itself. For international organizations such as United Nations and the other to be formed, this compromise is required. In fact, the lack of this compromise was largely responsible for the failure of the League of Nations.

Narrowing it down to the aspect of trade, states exercise economic sovereignty by determining and controlling the trade within its territory. States determine the kind of goods that come in and out of their territory. A state may decide to seal its borders to prevent any goods

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<sup>1</sup>At a two-day Summit Conference of the African Union in Abuja, Nigeria, on November 11-12, 2005, President John Agyekum Kuffuor of Ghana, who was the chairman of the opening session, stated that: “when nations join with others in a trade or political bloc, they give up a portion of their national sovereignty. What people need to understand is that the solutions to the problems that affects them as individuals or as groups today can no longer be found just at the national level”. See, P G Adogamhe, ‘Pan-Africanism Revisited: Vision and Reality of African Unity and Development’ (2008) 2 (2) *African Review of Integration*, 3.

from come in or go out of its territory. This had been the economic stance of China and so many communist nations, as they had viewed the importation of foreign goods into their territory as alien incursion, infiltration and adulteration of their uniqueness. The result had been the trade barrier that existed between nations. The down side of this was that states don't get to take benefit of their comparative advantage. There were scarcity and unavailability of certain commodities in the market of states.

These challenge necessitated the removal of trade barriers between states. At first, states have entered into bilateral trade treaties between themselves. This ameliorated the situation to some extent as it established international trade. However, for international trade to develop at a wide scale there was the need for the formation of international organisation through the plurilateral and multilateral treaties. Attempts in this regard after the 2<sup>nd</sup> World War never yielded result with the failure of states to agree to terms in the formation of International Trade Organisation (ITO). That notwithstanding, a group of states were able to reach a General Agreement on Trade and Tariffs (GATT) in 1947. GATT acted as a place holder and template regulating international trade among signatory parties until the formation of World Trade Organisation (WTO) in 1994<sup>2</sup> during the Uruguay Rounds to replace GATT.

In the WTO commissioned Sutherland Report of 2004 it was observed thus:

In committing to the WTO and its procedures and disciplines, governments are returning to themselves a degree of 'sovereignty' lost through the process of globalization. If governments are losing the capacity to regulate meaningfully at the domestic level, they are reclaiming some control of their economic destinies at the multilateral level.<sup>3</sup>

No doubt, the establishment of WTO has been a great achievement for international trade due the liberalisation of trade and removal of barrier and tariffs that came with it. However, this has not been achieved without challenges. In as much as WTO has played prominent role in boosting international trade and investment and establishment of globalisation, there is still much to be desired. The task of this work is to evaluate the impact of WTO in promoting international trade and investment. Consideration of the existing road blocks to the WTO's role and dominance in this regard shall also be examined. In conclusion, necessary recommendations shall be made.

## **2. Formation of the WTO**

After the World War II the World Bank and the International Monetary Fund (IMF) were created as international financial institutions. It was intended that a third institution be created to regulate the trade aspect of international economic cooperation among nations. More than fifty countries were part of the negotiations to create International Trade Organisation (ITO) as a specialised organ of the United Nations. The scope of the draft ITO Charter included rules on employment, commodity agreements, restrictive trade practices, international investment, and services. The target had been the creation of ITO at a UN Conference on Trade and Employment in Havana, Cuba in 1947.<sup>4</sup> However, it never came to be.

<sup>2</sup> The organisation became effective from 1<sup>st</sup> January, 1995.

<sup>3</sup> H G Schermers & N M Blokker, *International Institutional Law* (5<sup>th</sup> Rev. Ed, Leiden: Martinus Nijhoff Publishers, 2011) pp. 4-5.

<sup>4</sup> G A Solanki, 'Globalization and Role of WTO in Promoting Free International Trade' (2012) 3 (1) *Journal of Humanities and Social Science*, 13.

Meanwhile, 23 countries had entered into trade negotiations in Geneva in 1947. The agreement was known as the General Agreements on Trade and Tariffs (GATT) and was to come into force on 1<sup>st</sup> January, 1948. The agreement aims to remove the use of import quotas and to reduce tariffs on goods. GATT was not to be a permanent agreement. However, it continued to hold sway as the major multilateral agreement governing international trade for over 45 years until the establishment of WTO. It was also not an international trade organisation. Yet it gathered approximately 130 signatory parties into the system. GATT continued to extend through various negotiation rounds, supplementary codes and arrangements, interpretations, waivers, reports by dispute-settlement panels and decisions of its council.<sup>5</sup>

Signatory states of GATT took a long walk to form the WTO. This happened in the Uruguay Round of negotiations that lasted from 1986 to 1994. The Round was finally completed on 15 April, 1994 wherein 111 out of the 125 participating states signed the final document. 104 states accepted it and it came into force on 1<sup>st</sup> January, 1995 for eighty-one members which reflected more than 90 per cent of international trade. Apart from its success in creating WTO, the round also enlarged the scope of multilateral agreements regulating trade and ensured institutional restructuring. It is also credited to have concluded the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) thereby bringing services and intellectual property under the regime of multilateral agreements. It also replaced the 1948 GATT with the 1994 version.

In replacing GATT, WTO aims to create equitable trade conditions and fairer environment for goods and services to allow the free flow of trade. It recognises the importance of aligning the structural imbalanced economic conditions.<sup>6</sup> WTO was established to ensure substantial reduction of tariffs and other barriers to trade and to the elimination of discriminatory treatment in international trade relations.<sup>7</sup>

## **2.1 Organ and Structure of WTO**

The state parties to GATT 1947 and the European Communities which accept the Agreement and the Multilateral Trade Agreements (MTA) annexed to GATT 1994 and Schedules of Specific Commitments annexed to GATS are original members of the WTO.<sup>93</sup> Other state can become members by accession. WTO is the largest trade institution in the world. As at June 2014 it had a membership of 160 countries. Even hitherto conservative countries such as China and Russia are now members of WTO. China gained its accession to the WTO in 2001 while Russia gained its accession in 2012 after some years under the close observation of WTO to see if they will reshape their trade and tariff policies to align with the principles of WTO.<sup>8</sup>

The WTO Secretariat is headed by a Director-General. The highest authority of the WTO is the Ministerial Conference, which is a makeup of representatives of its member states. The Ministerial Conference meets at least once in two years. It is the decision making organ of the institution. Under GATT 1947 consensus must be achieved in order to reach a decision. Under WTO, decisions of the Ministerial Conference and the General Council are made by consensus.

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<sup>5</sup> K. Anderson, 'World Trade Organization (WTO)' (2010) *Encyclopaedia Britannica Student and Home Edition*. Chicago: Encyclopaedia Britannica.

<sup>6</sup> T B Ayres, 'The Role of the WTO in Assisting Developing Countries, Especially the BRICS: An Analysis of Doha and Bali' (2015) 3 *Law School International Immersion Program Papers*, p. 1.

<sup>7</sup> See, the Preamble to the WTO Establishment Agreement.

<sup>93</sup> Article xi WTO Establishment Agreement.

<sup>8</sup> See, generally: S Mathur & M Dasgupta, 'BRICS Trade Policies, Institutions and Areas for Deepening Cooperation' (2013) *Centre for WTO Studies Indian Institute of Foreign Trade*, Bhawan.

However, where consensus could not be reached, it could be determined by majority vote cast by member States.<sup>9</sup>

The General Council is the administrative organ. There are also special councils below the level of the General Council. These include: Council for Trade in Goods, Council for Trade in Services, Council for TRIPS and further subsidiary bodies. Several committees also exist, such as: Committee on Trade and Development, Committee on Balance-of-Payments Restrictions and Committee on Budget and Finance. Unlike GATT, WTO has international legal personality.

### **2.1.2 WTO International Trade and Investment Disputes Settlement Mechanisms**

In course of states' inter relations, there are bound to be disputes and issues of contention amongst them. This fact is well recognized by the WTO. Hence, the WTO has also provided means for trade and investment disputes settlement amongst state parties. Also, this mechanism also considers the interpretation and application of the various agreements entered amongst parties under its platform.

The marked distinction and improvement of the GATT system to the WTO was the initiation of a system of compulsory third-party, two instance system of adjudication. Parties having trade disputes shall first take such matter to be determined by ad hoc panel which are composed of neutral panelist. Panels are like tribunals, though slightly different from a normal tribunal. The panelists are collectively chosen by disputing countries. Where they cannot reach a consensus, the WTO Director-General shall appoint the panelist. Panels are made up of at least three, and sometimes five, experts of different countries which shall exact their independence from anybody. They shall examine the evidence and reach a decision thereto, one way or the other. The panel's report is tendered before the Dispute Settlement Body, which cannot reject the report except by consensus.<sup>10</sup>

Aggrieved parties can appeal such ruling to the Appellate Body. The Appellate Body has the power of judicial review over the decision of the panel. Either side can appeal a panel's ruling. Sometimes both parties do. Appeals are not a forum for reconsideration or re-examination of fact or evidence. It has to be based on points of law such as legal interpretation. Each appeal is heard by three members of a permanent seven-member Appellate Body set up by the Dispute Settlement Body and broadly representing the range of WTO membership. Members of the Appellate Body have four-year terms. They have to be individuals with recognised standing in the field of law and international trade, not affiliated with any government. The appeal can uphold, modify or reverse the panel's legal findings and conclusions. Normally, appeals should not last more than 60 days, with an absolute maximum of 90 days. The Dispute Settlement Body has to accept or reject the appeal's report within 30 days and rejection is only possible by consensus.<sup>11</sup>

Both the Panels and the Appellate Body can give an order for a member state to take measures to bring its order into compliance. Where a party fails to comply with the order, it can invoke the powers of the compliance panel adjudication to impose countermeasures against the opposing party. "A countermeasure is a measure taken against the infringing party that would normally violate WTO disciplines (for example, raising tariffs above MFN levels), but which is

<sup>9</sup> Article IX WTO Establishment Agreement.

<sup>10</sup> J Langille, 'Neither Constitution nor Contract: Understanding the WTO by Examining the Legal Limits on Contracting out through Regional Trade Agreements' (2011) 86 *New York University Law Review*, p. 1507.

<sup>11</sup> World Trade Organization. 'Understanding the WTO' 5<sup>th</sup> ed. (2015) World Trade Organization: Geneva, <[https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/understanding\\_e.pdf](https://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf)> accessed 21 February 2018.

permitted against a country found to be in breach of the Agreement”.<sup>12</sup>The WTO’s dispute settlement system is reputed for being the most highly developed and legalised in international law. Its paradigmatic hard law regime at the global level has established a stout dispute settlement system which imposes legally binding obligations on members. Even in its first decade of existence, it has considered a remarkable number of disputes. One of such case is the *India – Quantitative Restrictions on Imports of Agricultural, Textile and Industrial Products (India-QRs)*.<sup>13</sup> In the *Argentina—Footwear Case*,<sup>14</sup> Argentina had imposed safeguard measures on all countries except members of their major Regional Trade Bloc, MERCOSUR. The Appellate Body held that Argentina was obliged to apply safeguard measures to all countries in line with the Most Favourable Nation MFN principles. In the *Brazil—Tyres Case*,<sup>15</sup> Brazil had also imposed import restrictions on all countries other than their MERCOSUR counterparts. The Appellate body held that members of MERCOSUR were not permitted to modify their WTO obligations on import restrictions on the basis of their regional trade body. It further held that regional restrictions must be applied uniformly amongst WTO member states.

### **2.1.3 Role of WTO in Promoting International Trade And Investment**

The WTO is a multilateral organisation that regulates trade relations between states. It has a unique tripod purpose. First, it seeks to encourage the progressive trade liberalisation and remove restrictive barriers states place on importation and exportation of goods and services which distort trade flows and decrease general economic wellbeing and development.<sup>16</sup> Second, it is a negotiating forum referred to as “rounds,” wherein member states meet to negotiate terms of trade liberalisation treaties which become binding on all members.<sup>17</sup> Lastly, the WTO seeks to provide clear rules of engagement to ensure a more transparent and predictable international trade.<sup>18</sup>The WTO has underlining principles that defines and determines its policies and agreement. The most prominent of these principles are the MFN and the national treatment principle. The MFN clause is the foundational principle of WTO which provides for non-discrimination among states as it requires members to accord all other members of the Agreement similar treatment concerning any tariff or concession in respect of a particular product, as they would have done to any other country. Also under the national treatment principle, once goods pass through the borders of member states, members are obliged to give equal treatment to those goods as though it is of their national origin. This is a measure to prevent states’ use of internal regulations to discriminate against imported goods which will negatively affect tariffs reduction and other means of trade liberalisation.<sup>19</sup>

The six key objectives of WTO includes: (i) setting and enforcing rules for international trade; (ii) providing forum for negotiation and monitoring of further trade liberalisation, (iii) resolving trade disputes; (iv) increasing transparency in the decision-making processes; (v)

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<sup>12</sup> J Langille, (n. 10).

<sup>13</sup> J L Dunoff, ‘Constitutional Concepts: The WTO’s ‘Constitution’ and the Discipline of International Law’ (2006) 17 (3) *The European Journal of International Law*, p. 657.

<sup>14</sup> Argentina - Safeguard Measures on Imports of Footwear - Appellate Body Report and Panel Report - Action by the Dispute Settlement Body WT/DS121/9 (2 March 2000).

<sup>15</sup> Brazil- Measures Affecting Imports of Retreaded Tyres- Status Report by Brazil- Addendum WT/DS332/19/Add.6 (15 September 2009).

<sup>16</sup>J Langille, (n. 10) pp. 1486-1487.

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

<sup>19</sup>P Malanczuk, *Akehurst’s Modern Introduction to International Law* (7<sup>th</sup> rev. Ed, New York: Routledge, 1997) p. 229.

enabling cooperate with other major international economic institutions involved in global economic management and (vi) providing help to developing countries to take full benefit of the global trading system.<sup>20</sup> WTO has succeeded in concluding several trade agreements liberalising trade between states.<sup>21</sup> This success has resulted in the increase in the volume of world trade. This increase has been measured to amount up to 25% in the preceding 8 years.<sup>22</sup>

There is prospect of further increase with more rounds of negotiations on going in various areas of trade and services. State members have continued to maintain economic openness. For instance, since China's accession to the WTO in 2001, her simple average tariff dropped from about 40 percent in 1985 to under 10 percent currently. The growing openness of large developing markets has given room for new export opportunities for countries.<sup>23</sup> This is a positive indication of growth. Globalisation has been attributed to have emerged and continued to expand courtesy of the WTO regime which has encouraged free or less restricted trading in goods, services, technology, and capital transfer among various countries. Various conditions including trade barriers, financial assistance, piracy and more prominently violation of intellectual property rights which previously confronted the growth of international trade due to divergent trade rules and absence of reciprocity have been largely dealt with. WTO provides a global avenue for states to meet and tackle these issues in order to device means to guarantee generally accepted solutions towards smooth transition to greater free trade regimes.<sup>24</sup>

Despite the successes of WTO in encouraging free trade, it has been argued that this only favours developed countries which possess the capital, material and technological wherewithal to compete in a global economy. It is disappointing to note that the benefits of the aforesaid 25% increase in world trade are not evenly spread between the developed and developing member states. Despite the population size of the developing countries, they only get to generate 0.03% of world trade flows.<sup>25</sup> Rather than the 'free' trade as promoted by WTO, developing countries would prefer, advocate and canvass for a 'free and fair' trade among state. While developing countries are expected to remove trade barriers and make their market accessible to developed countries, developed countries have subtly made their market inaccessible to developing

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<sup>20</sup>K Anderson, (n. 5).

<sup>21</sup>Such agreements include but not limited to the following: Multilateral Agreements on Trade in Goods; General Agreement on Tariffs and Trade 1994; Agreement on Agriculture; Agreement on the Application of Sanitary and Phytosanitary Measures; Agreement on Textiles and Clothing; Agreement on Technical Barriers to Trade; Agreement on Trade-Related Investment Measures; Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994; Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994; Agreement on Preshipment Inspection; Agreement on Rules of Origin; Agreement on Import Licensing Procedures; Agreement on Subsidies and Countervailing Measures; Agreement on Safeguards; Agreement on Trade-Related Aspects of Intellectual Property Rights; Agreement on Trade in Civil Aircraft; Agreement on Government Procurement; International Dairy Agreement; International Bovine Meat Agreement; the General Agreement on Tariffs and Trade (GATT); the Agreement on Differential and More Favourable Treatment, Reciprocity, and the Fuller Participation of Developing Countries; and the General Agreement on Trade in Services (GATS).

<sup>22</sup>M Igbokwe, 'World Trade Organisation and its Role in International Trade' <<http://www.mikeigbokwe.com/new1/WTO%20and%20its%20role%20in%20the%20international%20trade..pdf>> accessed 21 February, 2018.

<sup>23</sup> World Bank Group and World Trade Organization, 'The Role of Trade in Ending Poverty' (2015) Geneva: World Trade Organization, pp. 13-14.

<sup>24</sup>G A Solanki, (n. 4) p. 12.

<sup>25</sup>M Igbokwe, (n. 22).

countries with the subtle use of tariff and non-tariff barriers.<sup>26</sup> For instance, the US government has continued to heavily support its agricultural industry with subsidy. The implication is that agricultural products from developing countries which do not get such support from their government would find it difficult to compete with the heavily subsidized US agricultural products.

### **3. Challenges of The World Trade Organization**

Despite the positive raves and reviews about the contribution of WTO to world trade, it has not continued to exist without challenges. This is more so as the purport of its existence is economic driven. Economic issues are matters of serious concern for every nation. Hence, there is bound to be divergent views and opinion each time issues come for consideration before the WTO. This section shall consider some of those challenges that, of course, make stakeholders desire more from WTO. One of the challenges with WTO is the lengthy period of time required to conclude a negotiation round. The issue is not that the negotiation round requires such a long period of time. The problem had often been that states find it difficult to put their economic difference aside and reach a compromise or consensus on an issue. There is usually polemics between the interest of developed and developing countries. For instance, the Uruguay round of negotiation lasted from 1986-1994 before an agreement could be reached.

The agitations of developing nations over the international trade market dominance by the developed nations and the developed nations sticking to their guns stalled the Doha Rounds for years. The Doha Rounds started at the ministerial conference in 2001. The round have continued to hit stalemate as member states have failed to agree on points bordering on free trade and movement of agricultural produce from developing to developed countries. In 2006 USA stalled the agreement when it refused to remove its subsidies for agriculture. This implies that there was going to be an unbalance international trade and lack of economic progress in that regard as the produce of developing countries would not be able to compete fairly with that of the developed countries.<sup>27</sup>

However, WTO was only able to successfully negotiate the Bali Round in December, 2013. The Bali is the first multilateral agreement the WTO has reached since its creation in 1995. In that round, developed countries finally agreed to abolish agricultural subsidies. The agreement came into force in 2017 when the requisite 2/3 majority of member ratification of the agreement was attained.<sup>28</sup> The agreement also took cognizance of the peculiarities of developing countries in order to help them achieve their economic goals.

Another challenge is the balkanisation of trade blocs within the WTO.<sup>29</sup> Trade blocs in form of regional arrangement or mutual alliance of some members of WTO who use their numerical and economic strength as negotiating power and exert their influence within the organisation has continue to stall negotiations. Member states now prefer to enter negotiation to favour members of their regional trade block. Although the WTO Establishment Agreement recognises the right of members to belong to their different trade blocks, this does not mean they

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<sup>26</sup>G A Solanki, (n. 4) p. 14.

<sup>27</sup>H. Stewart, 'Doha: India Accuses US of Sacrificing World's Poor at Trade Talks'. <<http://www.theguardian.com/world/2008/jul/1/wto.india>> accessed 17 December 2017.

<sup>28</sup>World Trade Organisation, 'Day 3, 4 and 5: Round the Clock Consultations Produce 'Bali Package''. <[http://www.wto.org/english/news\\_e/news13\\_e/mc9sum\\_07dec13\\_e.htm](http://www.wto.org/english/news_e/news13_e/mc9sum_07dec13_e.htm)> accessed 17 December 2017.

<sup>29</sup> Several Trade blocs such as European Community, NAFTA, BRICS, etc. have continued to be influential and seek more to serve their own developmental aim.

are allowed to abdicate their WTO obligations. In the *Mexico- Soft Drinks Case*,<sup>30</sup> the Appellate Body asserted its right to adjudicate disputes between parties while a Regional Trade Agreement (RTA) dispute settlement mechanism was being employed. In that case, Mexico imposed taxes on soft drinks using corn syrup instead of cane sugar and sought arbitration under Chapter 20 North America Free Trade Agreement (NAFTA). The United States refused to submit to the NAFTA body. Instead it brought the dispute before WTO. The Appellate Body exercised jurisdiction and exerted authority over the RTA.

No doubt WTO has advanced the growth of economic globalisation by promotion of free trade. However, some anti-globalist has continued to pick fault in globalisation itself and by extension WTO policies. One of the negative impacts so conversed is the issue of dumping which has been said to be more visible with the increasing global trade between nations. For instance, the tobacco and pharmaceutical sector of Nigerian economy affords opportunity for dumping. Developed countries have continued to use open access to our market as ready outlets for dumping of below standard and fake pharmaceutical and textile products into the country.<sup>31</sup> Trade agreements have not helped matters either. One instance in point is the GATS. Article 1 of GATS provides that trade in services includes the supply of a service:

- (a) from the territory of one Member into the territory of any other Member;
- (b) in the territory of one Member to the service consumer of any other Member;
- (c) by a service supplier of one Member, through commercial presence in the territory of any other Member;
- (d) by a service supplier of one Member, through the presence of natural persons of a Member in the territory of any other Member.

Liberalisation of trade in service is achieved through “commitments”. In essence WTO members are to covenant on their “schedule of commitments” as to the extent of migration of natural persons which they are willing to permit into their territory. Although Mode 4 is limited to the extent of a member state’s commitment, the commitment once entered is binding and enforceable against such state under the WTO dispute settlement mechanism.<sup>32</sup> Unlike the situation for trade in goods, market access<sup>33</sup> and the principle of national treatment<sup>34</sup> are not binding but conditional in GATS.<sup>35</sup> When compared to other forms of trade in services, the level of liberalisation obtainable from Mode 4 is accessed to be the lowest and account for between 0–4% of all GATS commitments. Compared this to the 55–60% accounted for worldwide services delivered by Mode 3; 25–30% by Mode 1 and 10–15% by Mode 2.<sup>36</sup> The reasons for this situation are not farfetched considering the bias which state have against persons from other countries entering into their countries.

#### 4. Conclusion

<sup>30</sup> Appellate Body Report, *Mexico-Tax Measures on Soft Drinks and Other Beverages*, 51, WT/DS308/AB/R (Mar. 6, 2006).

<sup>31</sup>E E Ekanem, ‘Globalisation: The Consumer’s Albatross?’ (2014) 1 (1) *Juris Insight*, p. 16.

<sup>32</sup>P E Giordaniy & M Rutaz, ‘Coordination Failures in Immigration Policy’ (2011) World Trade Organization, Economic Research and Statistics Division, Staff Working Paper, p. 21.

<sup>33</sup>GATS Art. XVI.

<sup>34</sup>GATS Art. XVII.

<sup>35</sup>GATS Art. XX.

<sup>36</sup>M Panizzon, ‘Trade and Labor Migration: GATS Mode 4 and Migration Agreements’ (2010) 47 *Dialogue on Globalization Occasional Papers*, <library.fes.de/pdf-files/iez/global/06955.pdf> accessed 6 January, 2018.



This paper discussed the contribution of WTO in increasing international trade and investment. This, it is discovered, was achieved through torturous rounds of negotiation that recognised and promoted free trade amongst nations. WTO trade policies have advanced economic globalisation in the world. It has also advanced binding dispute resolution mechanism to tackle trade disputes among member states. The successes notwithstanding, some challenges have also been identified with the WTO system.

It is, hereby, recommended that WTO must not only be concerned with promoting free trade but fair trade. This requires that the peculiarities of developing nations must be considered in negotiation rounds before reaching agreements as it would enable the developing nations survive the highly competitive global market.