World Trade Organization

Name

Institution
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One of the global international organizations concerned with the rules of the international trade is the World Trade Organization. It is through the World Trade Organization that negotiation and agreements are done for the world trade nations. The main aim of the World Trade Organization is to ensure a conducive business environment for the exporting and importing of goods and services. Even though the World Trade Organization makes immense efforts to ascertain that a favorable business environment exists on the global scale, there are a number of weaknesses that the organization faces. One of the weaknesses is the economic expenses connected with the sequential placing of complaints. Due to the number of complaints and because of the duration of the procedures that follow, there is no guarantee for compensation at the end (Devereaux et al, 2006).

The complaint might incur a lot of expenses and much time but still get no compensation. World Trade Organization also settles matters related to the agricultural sector. The little effort made for agricultural sector allows the World Trade Organization to shutter out the third world and other developing countries. Many negotiations concerning agriculture sector reach no agreement and no final solution is usually reached. Moreover, the World Trade Organization also demonstrates the problem of slow and poor negotiations skills. Negotiation process takes a lot of time and requires a lot of procedures. Sometimes the negotiations face the problems of the investments. Competition and transparency when dealing with procurements of the public is another weakness of the WTO.

European Union made the United States to response by either setting up a new tariff or making some adjustments to the existing one. The adjustment to be made is to revise the quotas and the procedure of the licensing. The United States come up with a new tariff for the European
Union. The new set tariff made a contradiction, since the low tariff of the EU made the United States to refrain from duties. The World Trade Organization came in between and made the settling of the disagreement, enabling further trade to occur. The European Union needs to lift a ban to comply with the rules of the World Trade Organization. While lifting the ban, the United States are also able to get confidence concerning WTO and can depart the retaliation. The lifting of the ban by the European Union also serves some advantage and interest of other Latin American countries trading in WTO
References