
Glossary

Alternative Trade Adjustment Assistance. See “Wage insurance.”

Antidumping (AD) investigation. An investigation instituted by an importing country in response to a claim that a foreign supplier is selling merchandise at “less than fair value” (see “dumping.”) In the United States, if the Department of Commerce finds dumping has occurred, and the US International Trade Commission finds that US firms have been materially injured, the law provides that customs officials levy an additional import duty equal to the calculated price discrepancy. GATT Article VI authorizes such measures. The Uruguay Round antidumping code, signed in 1994, aims to standardize and discipline national government practices.

Appellate Body. The WTO entity in the dispute settlement process that adjudicates appeals from panel decisions. The body is composed of seven individuals and functions when either the complaining or responding country appeals the decision of a dispute settlement panel report. Three of the seven individuals hear the appeal and can elect to modify, overturn, or accept the panel findings.

Asia Pacific Economic Cooperation (APEC) forum. An informal grouping of Asian and Pacific Rim nations that provides a forum for discussing economic and trade issues. The members as of the end of 2004 were Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand, and the United States. At the 1994 APEC summit, the leaders of member countries agreed to eliminate

barriers to trade and investment among industrialized members by 2010 and among all members by 2020, but implementation has lagged.

Bipartisan Trade Promotion Authority Act of 2002. Legislation that granted the George W. Bush administration authority to negotiate the Doha Round and regional and bilateral trade agreements under fast-track procedures (reabeled “trade promotion authority”). The law also expanded trade adjustment assistance. Notwithstanding the law’s title, the House vote was more divided along partisan lines than for any such bill since the 1930s.

Byrd Amendment. Also known as the Continued Dumping and Subsidy Offset Act, the amendment directs that the antidumping and countervailing duties collected by US Customs be distributed to the companies that supported the original petitions in these cases. Previously, these duties were deposited with other government revenues in the general treasury. In 2000, Senator Robert Byrd (D-WV) quietly added the amendment to the agriculture appropriations bill in the conference committee. In January 2003, the WTO Dispute Settlement Body found that the Byrd amendment conflicted with US obligations under the antidumping agreement, and called for its elimination.

Cancún Ministerial Conference. The September 2003 WTO meeting intended to achieve a breakthrough in the Doha Round. It broke up in disagreement, after the Group of 21 (led by Brazil, China, and India) challenged US-EU proposals on agricultural market access and a “group of 90” developing countries, mostly from Africa, demanded immediate concessions (especially for their cotton producers).

Central American Free Trade Agreement (CAFTA). This agreement removes trade barriers among the United States and five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. The agreement was modeled after the North American Free Trade Agreement (NAFTA). It was signed on 28 May 2004 in Washington, DC. The Dominican Republic has since been added, making it CAFTA-DR. As of the end of 2004, the agreement had not been submitted to Congress for approval.

Comparative advantage. Relative efficiency in production of a particular product or class of goods. Trade theory holds that a country should export those goods in which it has the greatest comparative advantage and import those goods in which it has the greatest comparative disadvantage, regardless of its general level of productivity or its absolute labor costs relative to other countries.

Competitive liberalization. The Bush (43) administration policy, pursued by US Trade Representative Robert B. Zoellick, involving negotiation of free trade agreements with selected countries at the same time that the United States engages in regional and global trade talks. The theory is that these narrower deals will generate pressure to emulate them, thus improving prospects for reducing barriers in broader trade talks.

Countervailing duty (CVD) investigation. An investigation instituted by an importing country when given evidence that foreign goods sold within its borders are subsidized by the government in the country of production. If a subsidy is found by the US Department of Commerce, and the US International Trade Commission finds that US firms have been materially injured, US law generally requires imposition of a duty to offset the subsidy. The Uruguay Round code on subsidies and countervailing measures, signed in 1994, aims to standardize and discipline national practices on subsidies and offsetting duties.

Current account balance. A measure of a country's international transactions that includes trade in goods and services and unilateral transfers. A "negative" balance on a current account, or a current account deficit, means that outflows of currency resulting from these transactions exceed inflows. (A current account deficit is offset and financed by a capital account surplus, representing a net inflow of investment funds.)

Customs value. A method of valuing imported goods; in traditional US practice, it excludes shipping costs from the price of the goods.

Dispute settlement mechanism (DSM). Considered one of the major advances made in the Uruguay Round negotiations, the dispute settlement mechanism was created to ensure uniform application of all WTO agreements and rules. Under the GATT, each country involved in the dispute process—even the defendant country—had to agree with the final panel decision. This made the process nonbinding. Under the WTO, a negative consensus is required to reject a panel's determination. The DSM is activated when a country requests consultations regarding another country's trade practices on the grounds that they violate that nation's commitments under existing agreements. At that point, the countries involved can come to a mutually agreeable solution or a WTO panel will be created to hear the facts of the case and make a determination. All panel reports are subject to appeal to the WTO appellate body (see "Appellate Body").

Doha Round. The comprehensive WTO negotiation launched at the fourth ministerial meeting of the WTO in Doha, Qatar in November 2001. Also known as the "Development Round," its focus has been on agricul-

ture, market access in industrial products, trade facilitation, and services, with special emphasis on the needs of developing countries. Progress was stalled at the Cancún Ministerial meetings in September 2003, which broke up in disagreement over agricultural trade issues. It was resumed the following summer, resulting in adoption of a “July package,” which established modalities for agricultural and other topics and committed advanced nations to the elimination of export subsidies on farm products. The talks have continued past their original December 2004 deadline, with much work remaining.

Domestic content requirement. A requirement that firms selling a particular product within a particular country must use, as a certain percentage of their inputs, goods produced within that country.

Dumping. The sale of a commodity in a foreign market at “less than fair value.” Fair value is usually considered to be the price at which the same product is sold in the exporting country or in third countries, but under US law dumping can also be established by comparing the export price to the estimated costs of production of the merchandise in question. When dumping occurs, the legal remedy is imposition of a special duty equal to the “margin” of dumping, defined as the difference between fair value and the actual sales price. (See also “Antidumping investigation”)

Escape clause (Section 201, Article XIX). A provision of the GATT articles, and of US law, authorizing import relief as a temporary “safeguard” for domestic producers injured by import competition. Originally limited to those whose losses resulted from prior US trade concessions, escape clause eligibility was extended in Section 201 of the Trade Act of 1974 to all who could establish that imports were “a substantial cause of serious injury, or the threat thereof.” The Omnibus Trade and Competitiveness Act of 1988 stipulated that the goal of any relief must be “positive adjustment.” If the US International Trade Commission finds injury and recommends relief, the president must grant it or report to Congress why, after reviewing the “national economic interest of the United States,” he has decided there is “no appropriate and feasible action to take.” Congress may then override his decision through enactment of a joint resolution, imposing thereby the remedy recommended by the USITC.

Fast-track procedures. Legislative procedures set forth in Section 151 of the Trade Act of 1974, stipulating that once the president formally submits to Congress a bill implementing an agreement (negotiated under the act’s authority) concerning nontariff barriers to trade, both houses must vote on the bill within 90 days. No amendments are permitted. The purpose of these procedures is to assure foreign governments that Congress will act expeditiously on an agreement that they negotiate with the US govern-

ment. The procedures were generally in effect from 1975 through 1994. At that time, President Clinton failed to win renewal for these procedures and they lapsed. They were renewed in 2002 under President Bush and renamed trade promotion authority (TPA) procedures.

Free trade agreement (FTA). An arrangement between two or more nations to remove barriers to the trade they conduct with one another. An FTA also usually addresses trade-distorting practices such as government subsidies. Under such an agreement, concessions are not on a most favored nation basis but only to the parties to the FTA. Such agreements were first authorized by the Trade and Tariff Act of 1984.

Free Trade Area of the Americas (FTAA). The goal of negotiations launched in 1994 among 34 Western Hemisphere nations. The January 2005 target date for completing the negotiations and launching the FTAA was not met.

General Agreement on Tariffs and Trade (GATT). The early postwar multilateral agreement on trade rules completed in 1947 as an interim arrangement pending establishment of the projected International Trade Organization (ITO). After Congress failed to ratify the ITO agreement, the articles of the GATT agreement became the basic rules of international trade, and the GATT organization at Geneva became the central institution supporting international negotiations and the reduction of trade barriers. As part of the Uruguay Round agreement, the GATT was superseded by the World Trade Organization (WTO) on 1 January 1995, with all bodies and rules of the GATT as modified by the Uruguay Round agreements becoming part of the WTO.

General Agreement on Trade in Services (GATS). Established in 1995 pursuant to the Uruguay Round agreements, the GATS seeks to liberalize—and develop agreed rules for—services trade as the GATT has done for goods.

Generalized System of Preferences (GSP). A system under which industrial nations give preferential rates of duty on imports from less developed countries without receiving trade concessions in return. The United States began extending preferences in 1975 and renewed them in the Trade and Tariff Act of 1984 and subsequent legislation.

Group of 21 (or 20, or 22). A group of developing nations, led by Brazil, China, and India, active in the Doha Round negotiations. The Group formed in September 2003 in response to the perceived inadequacy of US-EU proposals to reduce agricultural subsidies. It contributed to the failure

of the Cancún Ministerial of September 2003, and also to the stronger advanced-country commitments made the following summer.

Industrial policy. Governmental actions affecting, or seeking to affect, the sectoral composition of the economy by influencing the development of particular industries.

Industrial targeting. The selection by a national government of industries important to the next stage of that nation's economy, and encouragement of their development through explicit policy measures. A frequent goal of such targeting is competitiveness in export markets.

Injury. The requirement, under GATT, that an industry seeking trade relief establish that it has been hurt by foreign competition. In the United States, a finding of injury has always been required for escape clause relief, and since 1979 for the bulk of countervailing duty and antidumping cases as well.

Intellectual property. See TRIPS.

International Trade Commission. See US International Trade Commission.

Kennedy Round. The popular name for the sixth round of trade negotiations under the aegis of the GATT, conducted during 1963–67. The round produced major cuts in tariffs.

Macroeconomic policy. Policy geared toward influencing the overall aggregates of the economy, such as employment, production, and the rate of inflation, through measures affecting the fiscal balance and the supply of money and credit. It has an important influence on a nation's balance of trade.

Mercantilism. Historically, an economic philosophy that equates national wealth with the accumulation of gold or other international monetary assets, and hence with running a trade surplus. In today's world, mercantilism refers to a belief that running a consistently positive trade balance contributes to a nation's economic strength and moral virtue, and also to policies aimed at this goal.

Most favored nation (MFN). See normal trade relations (NTR).

Multi-Fiber Arrangement (MFA). An international trade compact, in effect from 1973 through 2004, that established a framework for negotiating bilateral orderly marketing agreements under which exporting na-

tions undertook to limit their shipments of textile and apparel products. Under the MFA, importing nations could impose quantitative import restrictions when unable to negotiate such agreements or to counter market-disruptive import surges. The MFA succeeded the Long-Term Arrangement (LTA), which took effect in 1962 and applied only to cotton textiles. The MFA broadened controls to include products made from wool or synthetic fibers. The Agreement on Textiles and Clothing (ATC) concluded in the Uruguay Round provided for phased elimination of all textile and apparel quotas over 10 years, ending 1 January 2005.

Multilateral trade negotiations (MTN). Technically, any of the postwar series of barrier-reducing negotiations under the auspices of GATT; however, “the MTN” commonly refers to the Tokyo Round of 1973–79.

National Economic Council (NEC). An interagency, cabinet-level committee and staff in the Executive Office of the President that coordinates US domestic and international economic policy, including trade policy. President Clinton established the NEC by executive order in 1993. His successor, President Bush, continued it in 2001.

Newly industrialized countries (NICs). Developing countries (for example, Hong Kong, Korea, Singapore, and Taiwan) that have experienced rapid industrial development and, hence, expanding exports of their industrial products.

Nonmarket economy. An economy that relies on forces other than the market, such as state intervention, to determine the allocation of goods and resources in the country. This has a distorting effect on prices and costs within the economy. US trade remedy laws include special procedures for dealing with products of nonmarket economies.

Nontariff barriers (NTBs). Government measures other than tariffs—i.e., import quotas, buy-national procurement regulations, product standards, and subsidies—that impede or distort the flow of international commerce. The Tokyo Round was devoted primarily to limiting and disciplining national use of nontariff barriers.

Normal trade relations (NTR). The principle of nondiscrimination in international trade, formerly known as “most favored nation” (MFN) status. A nation receiving this treatment from another is assured that the products it exports are subject to tariffs no greater than those imposed on imports from any other country. The United States extends this status to all WTO member countries as well as to many other nations. Trade preferences (GSP) constitute an exception to MFN, as do free trade agreements (FTAs) between two or more nations.

North American Free Trade Agreement (NAFTA). Agreement establishing free trade among the United States, Mexico, and Canada. Negotiated by President George H.W. Bush and signed on 17 December 1992, NAFTA removes barriers to trade and investment and improves the protection of intellectual property rights. Prior to seeking congressional implementation of NAFTA, President Clinton negotiated side agreements on labor and environmental issues. Congress approved implementation of NAFTA in November 1993.

Omnibus Trade and Competitiveness Act of 1988. This act was the first comprehensive trade legislation initiated by Congress since before the Smoot-Hawley Act of 1930. Its important features included the strengthening of unilateral trade retaliation instruments, particularly Section 301, provision of fast-track negotiating authority for the Uruguay Round of GATT negotiations, and enhancement of the authority of the US Trade Representative.

Orderly marketing agreement (OMA). A formal agreement in which an exporting nation undertakes to limit its sales of specified “sensitive” products to specific levels, so as not to disrupt, threaten, or impair competitive industries or workers in an importing country or countries.

Organization for Economic Cooperation and Development (OECD). An organization of 30 advanced European, North American, and Asia-Pacific market democracies whose members consult regularly on issues of economic policy. Established in 1961, the OECD grew out of the Organization of European Economic Cooperation formed in 1947 to administer the Marshall Plan.

Permanent normal trading relations (PNTR). Ongoing nondiscriminatory trade treatment (not conditioned on annual renewal). Refers specifically to the US grant of PNTR to the People’s Republic of China in legislation enacted in 2000. See also “NTR.”

Plaza Agreement. An agreement in September 1985 among the “Group of Five” advanced industrial nations (France, Germany, Japan, the United Kingdom, and the United States) to encourage depreciation of the US dollar.

Protectionism. The imposition of substantial tariffs or other limitations on imports in order to insulate or “protect” domestic producers from foreign competition; hence, support of the imposition of such import barriers.

Quasi-judicial procedures. Procedures through which law is made by regulatory agencies applying general statutes to specific cases. On trade,

procedures administered by the US International Trade Commission and the Department of Commerce determine the eligibility of petitioners for import relief under the escape clause, countervailing duty, antidumping, or other trade statutes.

Quota. A limit on the quantity of a product that may be imported by (or sold to) a country. Import quotas are enforced by the receiving nation, export quotas by the country of origin.

Reciprocal Trade Agreements Act of 1934. The law that initially provided authority for the US government to enter into bilateral agreements for reciprocal tariff reductions. Through successive extensions and amendments, it also authorized US participation in the first five GATT rounds of multilateral trade negotiations. It was superseded by the Trade Expansion Act of 1962.

Reciprocity. The general principle or practice of nations negotiating mutual reductions in import barriers. See also “sectoral reciprocity.”

Retaliation. Import-restrictive action taken by a country in response to similar measures by a trading partner. WTO rules permit a country whose exports are hurt by unjustified new restrictions to retaliate by imposing trade barriers on products sold by the nation taking the initial protectionist action. In principle, the value of trade affected by retaliation should be comparable to that affected by the measures against which it is targeted.

Rules of origin. The criteria used to determine where a product was made. These rules are a necessary part of free trade agreements that do not impose a common external tariff. Globalization has meant that many products can have value added in several countries before going to market.

Safeguards. See “Antidumping investigation,” “Countervailing duty investigation,” and “Escape clause.”

Section 201. See “Escape clause.”

Section 301. Under this provision of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988 and subsequent legislation, the US Trade Representative is required to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international agreement or is unjustifiable, unreasonable, or discriminatory, and burdens or restricts US commerce. In practice, Section 301 has been employed on behalf of American exporters fighting foreign import barriers or subsidized com-

petition in third-country markets. The Uruguay Round weakened Section 301 by subjecting unilateral US retaliation to challenge under the WTO dispute settlement mechanism. Since 1995, most Section 301 cases have been pursued through the WTO.

Sectoral reciprocity. The principle or practice of comparing the openness of national markets to imports sector by sector, and negotiating restraints sector by sector, rather than across entire economies. US advocates of a sectoral reciprocity approach to trade in telecommunications or wine, for example, propose to compare the levels of US and foreign barriers to imports of these products, and to equalize them, either by negotiating reductions in foreign restraints or by raising our own. A modified version of sectoral reciprocity was enacted into law as Title III of the Trade and Tariff Act of 1984.

Smoot-Hawley Act. The Tariff Act of 1930, which raised US tariffs on over 20,000 dutiable items to record levels and contributed to the deepening of the Great Depression.

Special Representative for Trade Negotiations (STR). See “US Trade Representative.”

Special 301. This clause in the 1988 Omnibus Trade Act requires the US Trade Representative to investigate countries determined to have a history of violating existing laws and agreements dealing with intellectual property rights. Such countries must have their current practices reviewed each year, and if they are not found to be improving, are subject to mandated retaliation under Section 301.

Subsidy. A bounty or grant conferred upon the production or exportation of an article or merchandise by the government in the country of origin. Foreign subsidies affecting trade are subject, under US law, to countervailing duties.

Super 301. Under this amendment to Section 301 of the 1988 Trade Act, the US Trade Representative was required in 1989 and 1990 to designate “priority foreign countries,” chosen for the “number and pervasiveness” of their “acts, policies or practices” impeding US exports, and for the US export gains that might come from the removal of these practices. The law called for retaliation if foreign action was insufficient or not forthcoming. In March 1994, President Clinton issued a so-called Super 301 executive order targeting “priority foreign country *practices*.” Its provisions were codified in the Uruguay Round implementing legislation.

Targeting. See “Industrial targeting.”

Tariff Act of 1930. See “Smoot-Hawley Act.”

Tokyo Round. The GATT negotiations formally initiated by the Tokyo Declaration in 1973 and completed in 1979. The Tokyo Round, also called the multilateral trade negotiations (MTN), differed from previous GATT rounds in its primary focus, which was on reducing and regulating non-tariff barriers. It yielded a number of multilateral codes covering, among other areas, subsidies and countervailing measures, antidumping, customs valuation, government procurement, and technical barriers to trade. Participating nations also agreed to substantial further reductions in tariff rates.

Trade Act of 1974. Legislation signed into law on 3 January 1975 that granted the president the authority to enter the Tokyo Round and negotiate international agreements to reduce tariffs and nontariff barriers (see also “Fast-track procedures”). The act also amended US law governing the escape clause, antidumping, and countervailing duties; expanded trade adjustment assistance; established guidelines for granting most favored nation status to East bloc states; and granted limited trade preferences (GSP) to less developed countries.

Trade Adjustment Assistance (TAA). Originated under the Trade Expansion Act of 1962, this program is designed to provide retraining and financial benefits to workers and firms that are injured as a result of increased imports. Eligibility and funding were cut back sharply after Ronald Reagan took office in 1981. TAA benefits were expanded modestly with the passage of NAFTA in 1994 and substantially in the trade act of 2002.

Trade Agreements Act of 1979. Legislation, adopted under the fast-track procedures, that approved and implemented the trade agreements negotiated during the Tokyo Round. It made US law consistent with the MTN agreements, while at the same time rewriting the countervailing duty and antidumping laws, extending the president’s authority to negotiate nontariff barrier agreements, and requiring the president to reorganize executive branch trade functions.

Trade and Tariff Act of 1984. An omnibus trade bill whose provisions included extension of the president’s authority to grant trade preferences, authorization for negotiating bilateral free trade agreements, and authority to enforce export restraint agreements on steel.

Trade balance. The total value of a nation’s merchandise exports minus the value of its merchandise imports, globally or vis-à-vis specific countries or regions. A “negative” trade balance is one in which imports exceed exports.

Trade Expansion Act of 1962 (TEA). Legislation that authorized the Kennedy Round of trade negotiations amended US escape clause procedures, and established the trade adjustment assistance program.

Trade Promotion Authority (TPA). See “Fast-track procedures.”

Trade-Related Aspects of Intellectual Property Rights (TRIPS). Issues involving nations’ treatment of intellectual property owned by foreigners. The United States has focused on preventing the piracy of intellectual property in foreign nations. Specific areas covered by the Uruguay Round agreement on TRIPS include copyrights, patents, trademarks, industrial designs, design of integrated circuits, and anticompetitive practices in licensing.

Trade-Related Investment Measures (TRIMs). Issues involving restrictions on the operations of foreign firms—requiring, for example, foreign firms to produce a certain percentage of the final product locally or export a certain percentage of their output. Although the TRIMs agreement was less ambitious than the TRIPS agreement, the Uruguay Round did produce the first GATT agreement on investment measures. The Uruguay Round agreement on TRIMs focused on providing national treatment and eliminating quantitative restrictions.

Trade remedy procedures. See “Quasi-judicial procedures”; “Section 201”; “Antidumping investigation”; and “Countervailing duty investigation.”

Triple transformation test. Also known as the “yarn forward rule,” it is a three-step rule of origin included in NAFTA. To be considered a North American apparel product, the fiber must be created, woven into cloth, and made into clothing in North America. This created a huge incentive for Mexico-based apparel operations to use cloth made in the United States. The same basic rule has been included in other US free trade agreements and trade preference arrangements.

UN Conference on Trade and Development (UNCTAD). A quasi-autonomous body within the United Nations system that focuses its attention on measures that might be taken to accelerate the pace of economic development in developing countries. The conference was first convened in Geneva in 1964, and has met quadrennially since then.

US International Trade Commission (USITC). An independent, fact-finding and regulatory agency whose six members make determinations of injury and recommendations for relief for industries or workers seek-

ing relief from increasing import competition. In addition, upon the request of Congress or the president, or on its own initiative, the USITC conducts comprehensive studies of specific industries and trade problems, and of the probable impact on specific US industries of proposed reductions in US tariffs and nontariff trade barriers. The USITC was created by the Trade Act of 1974 as the successor agency to the US Tariff Commission, which was created in 1916.

US Tariff Commission. See “US International Trade Commission.”

US Trade Representative (USTR). An official in the Executive Office of the President, with cabinet-level and ambassadorial rank, charged with advising the president, working with Congress, and leading and coordinating the US government on international trade negotiations. (“USTR” also designates the governmental unit that the trade representative heads.) Established by the Carter administration in 1980, the USTR was given increased authority in the Omnibus Act of 1988. The USTR succeeded the Special Trade Representative (STR), created (at congressional insistence) in the Trade Expansion Act of 1962, whose status and authority were strengthened in the Trade Act of 1974.

Uruguay Round. The comprehensive GATT negotiations initiated by the Punta del Este Agreement of September 1986. The negotiations were originally to be completed by the end of 1990; however, a final agreement was not reached until December 1993, with the formal signing in April 1994. Substantial new agreements were reached on general tariff reduction, agricultural subsidies and quotas, textiles, safeguards, antidumping and countervailing duties, trade-related investment measures (TRIMs), rules of origin, standards, services, trade-related intellectual property rights (TRIPS), and government procurement. An unprecedented number of nations adhered to the major Uruguay Round accords—123 as of mid-1994. The Uruguay Round also created the World Trade Organization to supersede the GATT structure.

Voluntary export restraint (VER). An arrangement under which exporters voluntarily limit exports of certain products to a particular country. Such restraints (also known as voluntary restraint agreements, or VRAs) are typically undertaken under threat of that country’s imposition of import restrictions. VERs circumvent the GATT most favored nation principle and the obligation on the part of the importing country to provide compensation to the exporting country when it imposes new import restrictions. The Uruguay Round agreement on safeguards bans the use of VERs.

Wage insurance. Also known as alternative trade adjustment assistance (ATAA) and established in the 2002 Trade Act, wage insurance is provided to certain workers who have lost their jobs or are displaced because of trade-related economic forces. The workers are offered a wage subsidy of 50 percent of the difference between the old and new wages, up to \$10,000, for up to two years. The legislation limited wage insurance to workers over age 50 and required that they select it as an alternative to regular trade adjustment assistance.

World Trade Organization (WTO). A global organization created by the Uruguay Round agreements that came into being in 1995. The WTO oversees the global trading system and ongoing trade negotiations and monitors implementation of trade accords. It also administers a strong dispute settlement process. The WTO succeeded the GATT; however, unlike the GATT it was explicitly established to play this role. The WTO encompassed and extended the GATT structure. As of 31 December 2004, there were 148 WTO members.