

For result was the  
replacement of gatt  
by



**ASSIGN  
BUSTER**

For this, they needed a global institution whose rules and decisions would be formulated to protect the interests of the developed world. Its rules should also be binding upon the developing countries preventing them from acts like piracy of patent rights, restrictions on foreign investment, discrimination in favour of domestic producers and the like.

The Uruguay Round of GATT was launched with this objective in mind. The result was the replacement of GATT by the WTO on 15 April, 1994 and its becoming operative with effect from 1 January 1995. WTO, unlike GATT, is not a forum of “contracting parties”. It is an institution based upon internationally agreed and binding rules and is also a monitoring and trade-dispute settlement authority. In addition, every member country has to accept all the provisions of all the agreements of the WTO. There is no provision for selective acceptance. An important “achievement” of the Uruguay Round was the creation of the General Agreement on Trade in Services (GATS). It came into existence along with WTO as its “Trade in Services Division” and became operative on 1 January 1995.

Whatever be its merits and demerits, GATS, for the first time in history, extended internationally-agreed rules and commitments (broadly comparable with those of the GATT), to a huge and still rapidly growing field of international trade in services.