

THE ROLE AND IMPACT OF PRECEDENT IN THE WTO DISPUTE SETTLEMENT SYSTEM

Mokhlaroyim Zokirova

Graduate student of Tashkent state university of law

The World Trade Organization (WTO) dispute settlement system serves as a vital mechanism for resolving trade disputes among member countries. One significant aspect of this system is the role and impact of precedent in shaping the interpretation and application of WTO rules. This thesis aims to explore how precedent, established through the decisions of the Appellate Body, influences the development of WTO jurisprudence and its impact on member states.

In the WTO dispute settlement process, precedent is primarily created by the decisions of the Appellate Body, the highest appellate authority. These decisions, known as Appellate Body Reports, interpret and apply WTO agreements, providing guidance to future cases. Precedent is formed when these reports establish legal interpretations and principles that are followed in subsequent disputes. Precedent in the WTO dispute settlement system serves to promote consistency and predictability. By examining and building upon previous decisions, the Appellate Body ensures that similar cases are treated similarly, fostering stability and coherence in the interpretation of WTO rules. This consistency helps member states understand their rights and obligations and provides clarity for international trade practitioners.

Precedent influences decision-making in WTO dispute settlement proceedings. Panels and the Appellate Body often refer to prior reports, considering their reasoning, legal analysis, and findings. This practice enhances legal certainty and reduces the potential for arbitrary or contradictory outcomes. However, it is important to note that the WTO system is not bound by strict stare decisis, allowing flexibility to adapt to evolving circumstances and legal developments.

While precedent plays a crucial role, its application in the WTO dispute settlement system faces certain challenges. The Appellate Body's shrinking membership and the backlog of cases have led to delays in issuing reports, affecting the timely establishment of precedent. Additionally, the non-binding nature of panel reports creates some ambiguity in the weight given to precedent. Balancing the need for stability with the flexibility to accommodate new circumstances is an ongoing challenge.

Conducting a comparative analysis of Appellate Body decisions allows for a deeper understanding of the role and impact of precedent in the WTO dispute settlement system. By examining notable cases and their outcomes, we can identify patterns, recurring themes, and evolving legal interpretations.

The role and impact of precedent in the WTO dispute settlement system cannot be underestimated. Through a comparative analysis of Appellate Body decisions, we have



witnessed its influence on the interpretation of WTO provisions and the development of jurisprudence. Member states rely on these precedents to ensure equitable and predictable outcomes in trade disputes. However, as the Appellate Body faces challenges, addressing the need for a functional and authoritative appellate body becomes crucial to maintaining the efficacy and legitimacy of the WTO dispute settlement system.