

UNIVERSITY OF SWAZILAND

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DEPARTMENT OF LAW

FINAL EXAMINATION PAPER, 2005 (SUPPLEMENTARY)

TITLE OF PAPER : INTERNATIONAL TRADE AND INVESTMENT

COURSE CODE : L508

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS : ANSWER FOUR (4) QUESTIONS
ALL QUESTIONS CARRY EQUAL MARKS

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GRANTED BY THE INVIGILATOR.**

QUESTION ONE

The Finance Minister of country X decides to adopt, by regulation, a requirement that limits the number of delivery trucks that can be licensed to the average number of trucks that were licensed during the last three years. The ostensible purpose of this limit is to prevent road congestion, but in practice there is an adverse impact on imports because the delivery companies favour local customers and imports have a difficult time reaching their customers. There is simply not enough deliver capacity to handle the potential quantity of imports. As a result imports decline. On its face the limit on new truck licenses is “WTO consistent” because it is not directly contrary to any provision of any WTO agreement. Is there any basis on which another WTO member could challenge this regulation before a dispute resolution panel?

[25 marks]

QUESTION TWO

Article IV of GATT, 1994 and the Anti-dumping and Subsidies agreements require a finding that the domestic injury has been injured. Discuss.

[25 marks]

QUESTION THREE

Does WTO membership mean that the member has to have a dumping law? If the member country decides to adopt such a law, what are the requirements relating to application of anti-dumping duties that are imposed by WTO membership?

[25 marks]

QUESTION FOUR

Write short notes on all of the following:

- a) Nullification and impairment
- b) Constructed value
- c) Free trade agreements under Article XXIV of the WTO Agreement
- d) Agreement on Trade Related Investment Measures
- e) National treatment

[25 marks]

QUESTION FIVE

The government of country X grants short-term financing to its sole widget producer for its exports. These loans are made when the seller presents the Central Bank with proof of shipment to the foreign buyer and are repayable within 60 days after the receipt of payment by the seller. The loans are at an annual interest rate of five (5) percent, which is half the rate that the producer pays on its loans from other local banks. Does the loan constitute a subsidy? Discuss referring to decided cases.

[25 marks]