

**UNIVERSITY OF SWAZILAND**

**FACULTY OF SOCIAL SCIENCE, DEPARTMENT OF LAW**

**SUPPLEMENTARY EXAMINATION PAPER, JULY 2016**

**TITLE OF PAPER: INTERNATIONAL TRADE AND INVESTMENT LAW**

**COURSE CODE: L508**

**TIME ALLOWED: THREE (3) HOURS**

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

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION TO DO SO HAS BEEN GRANTED BY THE INVIGILATOR.**

### QUESTION ONE

Write short notes on the following;

- a) The basic rules that make up the multilateral trading system [7 Marks]
- b) Whether and how WTO law takes into account the special situation of developing Countries [10 Marks]
- c) The sources of WTO law [8 Marks]

[25 Marks]

### QUESTION TWO

The principal purpose of the national treatment obligation of Article III of the GATT 1994 is to avoid protectionism in the application of internal tax and regulatory measures.

Discuss the consistency test of internal taxation with the national treatment obligation of Article III:2, first sentence and that of Article III:2, second sentence.

[25 Marks]

### QUESTION THREE

The WTO dispute settlement system is one of the most significant achievements of the Uruguay Round. In 1995, the dispute settlement system ceased to be a power-based system of dispute settlement through diplomatic negotiations, to being a rules based system through adjudication.

In your assessment, is the above true? Discuss in full.

[25 Marks]

#### QUESTION FOUR

- a) What are the main reasons countries impose customs duties on imports? [5 Marks]
- b) What is tariff escalation? [5 Marks]
- c) In tariff negotiations, does the principle of reciprocity also apply to negotiations between developed and developing country members? [5 marks]
- d) What is the effect of a tariff binding, and where and these be found? [5 Marks]
- e) Under which circumstances can tariff concessions or bindings be withdrawn or modified? [5 Marks]

[25 Marks]

#### QUESTION FIVE

Richland is a member of the WTO and has been since its inception. Richland has a huge widget industry and widget produced in Richland are sold to many other countries including Oldland and Newland. The price of widgets made in Richland in the Oldland market is 50c per widget, in Newland – 70c per widget, and in Richland itself widgets are generally sold for 95c per widget.

When asked about this price discrepancy, the widget producers in Richland say the price is determined by market forces, and that they charge what the consumers in each market are willing to pay. Producers of widgets in Oldland and Newland think this is not true, and have complained to their respective governments that the selling of widgets from Richland in their markets at low prices is causing adverse effects to the local widget industry and that the government needs to deal with it, as it is not only unfair and injurious, but also WTO inconsistent.

Discuss fully.

[25 Marks]