

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2012
FULL-TIME AND I.D.E.

TITLE OF PAPER : INTERNATIONAL MARKETING
COURSE : BA 423
DEGREE AND YEAR : BCOM 4
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

**NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION**

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION**

SECTION A (COMPULSORY)

READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW

COURT RULES ON ANTI-DUMPING DUTIES

Johannesburg - The Constitutional Court ruled on a challenge to the country's anti-dumping duties when it handed down a judgment on the matter on Tuesday.

The case was about the procedure for reviewing anti-dumping tariffs - measures which are imposed by the state to counteract the harmful practice of bringing goods into a country or its common customs area for a price less than the production costs or market value of those goods.

South Africa is a member of the World Trade Organisation (WTO) and is bound by the obligations contained in the Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade (WTO Anti-Dumping Agreement).

South Africa enacted domestic legislation, including the International Trade Administration Act 71 of 2002 (ITAC) and its regulations (Anti-Dumping Regulations), which govern the requirements and procedures for the setting or changing of anti-dumping duties.

The WTO Anti-Dumping Agreement and the domestic statutory regime provide that in general, without the initiation of any reviews, anti-dumping duties remain in force for a maximum of five years.

In 2002 the minister of trade and industry imposed anti-dumping duties on stranded wire, rope and cable of iron or steel products originating in or imported from foreign countries. Anti-dumping duties were also placed on the products of Bridon International Limited (Bridon UK), the biggest manufacturer of steel and wire ropes in the United Kingdom. The minister based his decision on a recommendation made by the Board on Tariffs and Trade, the predecessor of ITAC.

SCAW is a South African company that manufactures steel products including those in respect of which the anti-dumping duties were imposed.

In February 2007, before the lapsing of the five year period, SCAW lodged an application with ITAC for the initiation of a "sunset review" with a view to maintaining the anti-dumping duties in place.

A sunset review is an investigation, initiated relatively shortly before the duties would otherwise lapse, which concerns the withdrawal, amendment or re-confirmation of an original anti-dumping duty on imported goods.

QUESTION 1

- a) Explain why the minister of trade and industry imposed anti-dumping duties on stranded wire, rope and cable of iron or steel products originating or imported from foreign countries. **(10 MARKS)**
- b) What other non-tariff barriers can the minister of trade and industry use to deter imports of stranded wire, rope and cable of iron or steel? **(20 MARKS)**
- c) Discuss why non- tariff barriers appear to be on the increase throughout the world? **(10 MARKS)**

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Discuss how the balance of payment, the purchasing power parity (PPP), inflation, and interest rates affect currency values? **(20 MARKS)**

QUESTION 3

- a) Identify the major trade groups in Southern Africa which Swaziland is a member, and then discuss the characteristics of each trade group. **(12 MARKS)**
- b) Given question (a) above, discuss the implications to marketers for Swaziland's membership to the above mentioned trade groups. **(8 MARKS)**

QUESTION 4

- a) Discuss the difference between existing, latent, and incipient demand and how might these differences affect the design of a marketing research project? **(10 MARKS)**
- b) Explain with examples, what global consumer culture positioning (GCCP) is, and then discuss the other positioning strategies that global marketers can use. **(10 MARKS)**

QUESTIONS 5

What are the most important factors to consider when designing strategy for international marketing communications? Give examples of how they might vary around the world. **(20 MARKS)**