

UNIVERSITY OF SWAZILAND

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DEPARTMENT OF LAW

FINAL EXAMINATION PAPER, 2005 (MAIN)

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

A core principle of the GATT- 1994 is the obligation to provide most favoured nation (MFN) treatment to all other WTO members. This principle was deemed so important that GATT drafters put it in Article 1 of the agreement. At present, regional free trade areas (FTAs) such as SACU are springing up all over. FTAs are of course preferential, not MFN. In your opinion do FTAs compromise the WTO? Are there offsetting benefits?

[25 marks]

### QUESTION TWO

Write short notes on all of the following

- a) Dumping
- b) Regional Industries
- c) "Threat of Injury" under the WTO;
- d) Preferential Trade Agreements
- e) Gray markets

[25 marks]

### QUESTION THREE

Zane Thomas is a manufacturer of widgets in country X. Mr. Thomas sells his product in the country Y. He sells these widgets at R50 per box. It costs him R70 to manufacture a box of widgets including the cost of transporting them to country Y.

Would a manufacturer from country Y of widgets have a case against Mr. Thomas, and if so, what would the nature of the case be?

[25 marks]

#### QUESTION FOUR

The Swazi Government has been petitioned by producers of baby vegetables in the country to institute proceedings against the European Union. The said producers allege that the local industry is being injured because the European Union subsidises its own local baby vegetable producers. Discuss.

(Assume that Swaziland is not a member of SACU)

[25 marks]

#### QUESTION FIVE

You are counsel to country X which has just become a WTO member. A number of X's industries are worried about the reduction of tariffs that the government accepted in the accession negotiations and have approached you for possible problems that they may encounter as a result of the tariff reduction and any benefits, if any.

[25 marks]