

UNIVERSITY OF SWAZILAND

DEPARTMENT OF LAW

FINAL EXAMINATION PAPER, 2009 (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

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

QUESTION ONE

Critically analyse the role of multi national corporations (MNCs) in assisting developing countries attain their developmental goals.

(25 Marks)

QUESTION TWO

The procedure for dispute resolution under GATT 1994 is a great improvement from that under GATT 1947. Discuss fully.

(25 Marks)

QUESTION THREE

Critically analyse the justifications of trade and development derived from the neoclassical free trade model.

(25 Marks)

QUESTION FOUR

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 I 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 FIVE

The government of Trimex 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.

Discuss fully.

(25 marks)