

EXAM

JUS5850 - International Trade Law - Autumn 2017

Date: 4 December

Time: 09:00

Please note that you should spend approximately 3/4 of the time on Part I and 1/4 on Part II.

Part I

Minoria is a developed country. In 2016, an anti-globalization movement in Minoria launched a successful campaign during the general election. The movement criticized the negative effects of increased trade for employment, working conditions and wages, as well as negative effects of increased immigration for public expenses to welfare and law enforcement. The campaign led candidates for a range of political parties to compete in launching initiatives to control the free movement of goods, services and workers.

The coalition government formed after the elections included parties supporting the introduction of trade-restrictive policies. The government issued a declaration – the “Political Platform for Change”. The Political Platform includes the following paragraphs on international trade:

"The Coalition Government shall: ...

10. Take measures to limit the import of products in sensitive sectors, including in particular textiles, cars and bicycles.
11. Restrict the opportunities for foreign enterprises to establish schools and hospitals in Minoria.
12. Renegotiate the conditions for its membership in the Economic Union of Western Countries in order to carry out the policies mentioned in paragraphs 10 and 11."

You work as trade law expert in the Ministry of Trade and Industry of Minoria. You shall write a memo elaborating on the legal issues under the WTO Agreement that the Government must take into account when implementing the policies mentioned in paragraphs 10-12 of the Political Platform.

In preparing, you consult Minoria's schedules of commitment under the WTO. In the tariff schedule, you find that the bound tariffs for textiles vary between 0 and 35 % ad valorem, with an average rate of 6 %. Tariffs for cars are at an average of 30 %. Tariffs on bicycles are 10 %. You also find that the average applied tariffs in the textiles sector are on only 2 %. The applied tariffs in the two other sectors are the same as the bound rates.

In the services schedule, you find no horizontal commitment of interest. For the education and health services sector, the schedule states “none” for the three first modes of supply (cross-border supply, consumption abroad, and commercial presence) and “unbound” for the fourth mode of supply (presence of natural persons). This applies to limitations on market access and national treatment.

When studying the Agreement on the Economic Union of Western Countries, you find that tariffs on textiles, cars and bicycles are bound to 0 %. You also find that the commitments under the Agreement's services schedule for education and health services are the same as under the WTO schedule.

You proceed to write your memo on the basis of this information.

Part II

Provide your assessment of whether there is a turn to regionalism and bilateralism in international trade relations and discuss which legal implications such a development may have for the WTO Agreement.

