**International Economic Law (MM 121)**

**Final exam**

**Instructions:**

* The exam has the total duration of 180 minutes
* The exam is composed of two parts (A and B). In Part A you should address only *three* out of the *four* measures.
* The total score of the exam is 20 points.
* Answers should be drafted with a *clear handwriting* and **ought not to extend beyond 4 pages** (i.e. one exam sheet).
* Candidates are allowed to answer this exam either in *Portuguese* or in *English*.
* Abbreviations can be used, provided that their meaning is explained when the abbreviation is used for the first time (e.g. IMF = International Monetary Fund).
* During the exam you are allowed to have access to your own written materials (legislation, notes, books, etc.).
* Quoting from external sources, whatever their nature (case law, legislation, books, articles, etc.) should be clearly indicated in your exam sheet through a brief reference to the external source. The transcription of passages taken from a third party should be duly mentioned in your answer, while failure to do so may amount to plagiary.
* **Please be aware that access or use of tablets, smartphones, laptops and all electronic gadgets that may allow you to have access to the internet is strictly forbidden during the entire duration of the exam**.

**Good luck!**

**Part I (12 points)**

The Democratic Republic of Providence (DRP) has been a Member of the WTO since 1994 and a traditional advocate of free trade. Following the recent presidential elections that took place in November 2018, Mr. Robert Orange of the People’s Protectionist Party (PPP) became the country’s 52nd. President. During the political campaign that preceded the presidential election Mr. Orange promised that, in case he should be elected, the DRP would promote a protectionist agenda and oppose any attempt to further trade liberalization as regards goods that are produced domestically (i.e. in the DRP). One of such goods are certain types of musical instruments, which are made of Bellinium, a rare type of metal that can be found in abundance in the DRP. These products are mostly sold on exports markets.

Once in office, President Orange wants to adopt the following measures:

1. A unilateral increase of 15% of tariffs on all imported goods
2. Adoption of internal regulation that restricts the opening hours of shops that sell any kind of imported musical instruments
3. Introduction of a subsidy to assist mining companies that specialise in the extraction of Bellinium
4. Withdrawal of DRP from GATT, while remaining a Member of the WTO and of all other Multilateral Trade Agreements (Annexes 1, 2 and 3 of the WTO Agreement)

You have been working at the Department of Foreign Trade of the Ministry of Economics of the DRP for the past 12 years and have a solid knowledge of International Economic Law. For this reason, you are summoned to a meeting with President Orange to discuss the implications and compatibility with WTO law of the new legislation that President Orange wants to implement.

*Please consider 3 (three) of the above measures and analyse them from a double perspective: (i) whether they are compatible with WTO law and, in case that they are not compatible, (ii) what should be done to make them compatible with WTO law.*

**Part II (8 points)**

Unlike President Orange, you are a strong believer in the trade liberalization, so you see the above meeting as an opportunity to convince the President of the advantages of free trade as opposed to protectionism.

*Please draft a short memo highlighting the main advantages of free trade as opposed to protectionism.*