



International Economic Law (MM 121)

6 January 2021

Final exam (S/M)

Instructions:

- The exam has the total duration of 180 minutes
- The exam is composed of three parts (A, B and C). In part C you are required to choose only *one* question.
- The total score of the exam is 20 points.
- Answers should be drafted with a *clear handwriting* and **ought not extend beyond 4 pages** (i.e. one exam sheet). *Please be straightforward in your answers.*
- 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 printed 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 plagiarism.
- **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 A (8 points)

In response to the COVID pandemic, the People's Democratic Republic (PDR), a WTO member and one the world's largest respirator devices producer decided to impose an export ban of these devices for a period of six months. The Kingdom of Shangri-La (KSL), another WTO Member, reacted to PDR's export ban by declaring it a violation of WTO rules and applying a retaliatory tariff of 20% on imports of goods coming from the PDR.

Consider the compatibility of the export ban imposed by the PRD and the response of the KSL with WTO law and, in case of incompatibility, please refer what would have been the appropriate course of action on the part of both the PRD and the KSL.

Part B (6 points)

1. Which of the following statements about the WTO is true:

- a) The WTO is an inter-governmental organization which aims to liberalise trade progressively ✓
- b) The WTO is the only international organization dealing with international trade rules ✗
- c) The WTO aims to help developing countries secure a share in the growth of international trade commensurate with their economic development needs ✗
- d) All of the above

2. In the WTO decisions are taken:

- a) By members, solely by vote ✓
- b) By members, generally by consensus, but voting is possible ✓
- c) By members, by negative consensus only
- d) By the Director-General of the WTO, on behalf of the Members

3. Which of the following can become a member of the WTO

- a) Sovereign states only ✓
- b) Sovereign states and international organizations ✓
- c) Sovereign states and non-governmental organizations
- d) Sovereign states and separate customs territories possessing full autonomy in the conduct of their external commercial relations

4. Environmental protection is addressed in the GATT as:

- a) As a legitimate concern of members which may be relevant under certain circumstances ✓



- b) An explicit objective to be pursued under the WTO
- c) As an implicit objective which may result from the pursuit of free trade
- d) All of the above

5. The most-favoured-nation (MFN) principle in the GATT 1994 provides that the treatment given to an imported product originating from a WTO member shall be as favourable as the treatment given to:

- a) Imported "like products" from any other WTO member
- b) Imported product originating in any other WTO member
- c) Domestically produced "like products"
- d) Imported "like products" from any other economy, whether or not it is a member of the WTO

6. The national treatment principle in Article III of GATT 1994

- a) Prohibits members from discriminating between like products from other WTO members
- b) Prohibits members from favouring their domestic products over imported like products from other WTO members
- c) Prohibits members from favouring their domestic products over imported like or directly competitive products from other WTO members
- d) Prohibits members from applying certain internal measures on products from other WTO members

Part C (6 points)

*Please choose **one** of the following questions*

1. Assuming that the proliferation of Preferential Trade Agreements (PTAs) undermines the existing multilateral trading system, do you regard Article XXIV of GATT 1994 as an effective provision in this regard? Please justify your answer taking into consideration Article XXIV GATT and any other provision you may consider relevant in this regard.
2. The creation of a dispute settlement mechanism under the WTO is often regarded both as one of the most important contributions of the WTO Agreement and as a deeply flawed system. Can you explain this apparent paradox?