

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER 4 • EXAMINATION – SUMMER 2019

Subject Code: 3549289

Date: 03/05/2019

Subject Name: WTO Multilateral Trading System and its impact

Time: 10:30 AM To 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q.1 Definitions / terms / explanations / short questions based on concepts of theory/practical **14**

- (a) GATS
- (b) MFN
- (c) WTO
- (d) TRIPS
- (e) WIPO Convention
- (f) IPR
- (g) GATT

Q.2 (a) Which are the rules governing the purchase and sale of goods by state trading organizations? **07**

(b) “There are certain rules governing procurement of goods by government for its own use or consumption or for use in production of goods or services for sale”. Do you agree with this statement? Discuss **07**

OR

(b) Explain the main rules in GATS applicable to trade in services **07**

Q.3 (a) Highlight the role of industry and business in advising the government on the negotiating approach it could adopt that would help them in improving their competitive position in international market and create conditions that are conducive to promotion of further economic developments. **07**

(b) Give the description of the Sectoral commitments assumed in by countries in the Uruguay Round in **07**

1. Financial Services
2. Telecommunications
3. Professional Services

OR

- Q.3** **(a)** Write a note on “Rules governing Trade Related Aspects of Intellectual Property Rights (TRIPS)” **07**
- (b)** Give the description of the Sectoral commitments assumed in by countries in the Uruguay Round in **07**

1. Management Consultancy Services
2. Health-related and social services
3. Construction & related engineering services

- Q4** **(a)** Give the background and description of the rules relating to the launching of negotiations under WTO as a forum. **07**
- Q4** **(b)** Are there any trade benefits in General Agreement on Trade in Services? If yes, What are its business implications? **07**

OR

- Q4** **(a)** Write a note on “Main Features/Rules of WTO System for settlement of disputes” **07**
- Q4** **(b)** What role business plays in bringing any dispute to the attention of the government for its settlement under WTO system and what are its business implications? Discuss any one case where rules are not being followed by the governments of countries where it is marketing its products. **07**

Q.5 Analysis of Trade Before and After the WTO: A Case Study of India

On January 1, 1995 when World Trade Organization (WTO) came into existence the entire economy of the world affects in respect of international trade because WTO framed the new global trade rules in the form of TARIFF and NON-TARIFF in international trade. This case study is concerned with implications of the WTO with reference to India. To analyse the impact of WTO on foreign trade of India, the study is divided into pre-post WTO, How much the agriculture and industrial sectors were contributing in boosting the trade of the nations before the WTO and how it is doing after the WTO. Although

India had adopted the process of liberalization in 1991 but with the implementation of World Trade Organization (WTO) in 1995, there was increased openness in trade at global level. In fact, establishment of the WTO was one of the motivating factors behind the open economic policy pursued by the policy-makers of these countries.

The various studies predicted that due to the WTO, world trade has been increased in developing economies. Whether the WTO has affected the Indian economy in the same way is focus of this case study.

On analysis of the India's foreign trade pre and post-WTO, one can come to know that the trade volume in India has continuously raised pre and post-WTO with variation. Although the compound annual growth rate of trade during pre-WTO (6.72%) was higher than the growth rate in post-WTO (6.46%). On the other hand during the post-WTO, the CAGR of world trade has been increased from 1.84% to 2.25%. The trade volume of India was increasing after the WTO implementation, though not at so good rate as compared to world trade. This is due to the new challenges faced by Indian economy imposed by WTO. For India, the imports and exports have been increased for all the years during pre and post-WTO. The imports remained more than exports for whole of the years during pre and post the WTO, except 1991 and 1993. The growth rate of exports has fallen within 10 years after the implementation of WTO. The relatively slower growth rate of exports as compared to imports has contributed more towards the slower growth rate of trade.

So, It may be concluded that the WTO has affected the trade of India. It is evident that within ten years after the WTO, there remained higher growth rate of imports as compared to exports. The WTO has

affected the trade slightly positively, but not as expected. The trade volume of India was increasing after the WTO implementation, though not at so good rate as compared to world trade. This is due to the new challenges faced by Indian economy imposed by WTO. The trade volume of India was rising before the WTO. The country has not only maintained the trend but rate of growth is also increased. India is the only country in the current analysis, who has gained advantage of the WTO in the perspectives of international trade. The ratio of industrial sector in GDP is not significant but has positive impact on international trade of India. The industrial sector in GDP after WTO have predicted positive value, but not significant. The rate of increase in imports of India is greater than rate of increase in exports even after the WTO, which shows that India still face the deficits in their balance of trades. The effect of agriculture sector is negatively affecting the international trade of India because the WTO caused serious concern to the performance of agriculture sector and food security. The negative effect of agriculture sector remained continue even after WTO. The world GDP has positive impact on India's trade during pre WTO but it has negative effect after WTO. The imports remained more than exports for whole of the years during pre and post the WTO, except 1991 and 1993. The relatively slower growth rate of exports as compared to imports has contributed more towards the slower growth rate of trade. It is evident that within ten years after the WTO, there remained higher growth rate of imports as compared to exports. India's GDP is also significant.

There is pragmatic change in India's GDP during post WTO and positively affect the trade of India. The trade volume of India was rising before the WTO. The country has not only maintained the trend but rate of growth in also increased. India is the only country, who has gained advantage of the WTO in the perspectives of international

trade. For India, both the growth rate of exports and imports has risen after the WTO. The contribution of industrial sector to the nation's international trade has been increased after the WTO. Thus WTO has been playing a very important role in India's foreign trade. It needs further research to see why India has not benefited from the WTO as per expectation while the major speculated beneficiaries of the WTO were the developing countries.

So, one needs to wait for some years to have the robust results about the impact of different variables on international trade of the nations before and after WTO. It is suggested that being a member of the WTO, India enjoys the most-favoured nation status instead of accepting the agreements which are against the national interest. However as mentioned in the above case, there is serious and urgent need to re-analyse the policy followed by India in the context of increasing competition and openness at global level.

(a) Discuss the implications of WTO with respect to India **07**

(b) Analyze the impact of India's foreign trade pre and post-WTO **07**

OR

(a) Can you say that WTO has affected the trade of India? Give your opinion **07**

(b) Analyze the impact of agriculture and industrial sectors in contributing in boosting the trade of the nations before the WTO and after the WTO **07**
