

GUJARAT TECHNOLOGICAL UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION (Global Program)

Year – II (Semester – III) (W.E.F. January 2014)

ELECTIVE COURSES

Subject Name : WTO Multilateral Trading System and its Impact on Business (WMTS-I)

Subject Code : 2830013

(Part – II of the same Subject is offered as an Elective in Sem IV, and will be compulsory for students studying Part – I to complete the through study. This course is developed by Mr. Vinod Rege, Diplomat and Former Director, WTO, Geneva, and Author of WTO's Book on the subject in 1999, revised in 2013).

1. Objective:

The course is intended to provide the students for Masters Degree in Business Management basic understanding and working knowledge of the rule based multilateral trading system created by WTO. Particular emphasis would also be placed to explaining the rights which the rule based system gives to the business community and the steps which they have to make full use of them.

2. Course Duration: The course duration is of 36 sessions of 75 minutes each, i.e. 45 hours

3. Course Contents:

Module No:	Module Content	No. of Sessions	Marks (70 Externa
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I	Introduction to the WTO Multilateral Trading system A. Explanation of the system • Evolution of the system during the last six decades. • Economic principles on which the rule based system is based • Why GATT was considered as “rich man’s club” in the earlier years, by developing countries. • The reasons for change in attitude of developing countries and for increasing interest in participating WTO discussions and negotiations • The role of WTO in keeping under continuous surveillance the implementation by the Member of the rules at national level • Its role in settlement of trade disputes • Its role as a forum for negotiation for further liberalization of trade and for developing rules in new subject areas. • Overview of the present ongoing negotiations: Doha Development Round B. Explanation of the business implications • The rights which the system confers on the business community and the obligations which it imposes on them	7	
	• How business can use the system to persuade the government to take up the matter for settlement under the WTO’s dispute settlement procedures, where it considers that the importing country is in breach of its obligation. • The role of the business community in advising the government on the approach which it could adopt in the negotiations in WTO for the liberalization of trade and on formulating rules in new subject areas so that interest of domestic industry and other stake holders are fully taken into account Background Notes: Chapter 1: Overview of the Multilateral Trading System and Its Impact on Business and Chapter 2: What is WTO and what it does: Its Role and Functions		

II	Rules of GATT applicable to trade in goods • Protection to domestic industry should be given only through tariffs • Prohibition on the use of quantitative restrictions • Tariffs should be reduced and non tariff measures eliminated by participating in the rounds of negotiations held under the auspices of WTO • The concept of binding of tariffs • MFN rule • Exceptions to the MFN rule provided by: • Preferential Trade Agreements (PTAs) • Generalized system of Preferences (GSP) • Partnership Agreements between the European Union and developing countries in Africa, Caribbean and some countries in the Pacific region (ACP) • National Treatment Rule A. Explanation of the Business implications B. Background Notes: Chapter 3: Main Rules of GATT Rules applicable to Exports A. Explanation of the rules • Export incentives • Export taxes • Export restrictions B. Explanation of the business implications Background Notes: Chapters 4: Rules Applicable to Exports	7	
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III	Valuation of Goods for Customs Purposes and Import Licensing Procedure A. Explanation of the rules - Rules relating to the valuation for customs purposes of the imported goods - Rules relating to administration of import licensing procedures B. Business implications Background Notes: Chapter 5: Rules Applicable to Valuation of goods for Customs Purposes and Chapter 6: Import Licensing Procedures: Mandatory and voluntary standards (technical regulations) and health and sanitary regulations A. Explanation of the Rules - Role of standards in production and marketing of goods - The approach adopted to ensure that standards, technical regulations and sanitary and phytosanitary measures do not create non tariff barriers to trade by encouraging use of international standards - Main provision of the Agreements of Technical Barriers to Trade and Sanitary and Phytosanitary Measures B. Business Implications Background Notes: Chapter 7: Mandatory and Voluntary Standards and Sanitary and Phytosanitary Measures	7	
I V	Rules governing use of subsidies A. Explanation of the Rules - Those applicable to industrial products - Those applicable to agricultural products - Improved discipline that would be adopted in the use of subsidies in the agriculture sector in the Doha Round B. Explanation of the business implications Background Notes: Chapter 8: Rules governing use of subsidies on industrial and agricultural products	7	

	Safeguard, Anti-dumping and Countervailing Measures – Trade Remedy Measures A. Explanation of the Rules • Need on the part of the government to come to the rescue of agricultural producers and manufacturing industries when they are not able to meet foreign competition or where foreign suppliers are engaging in unfair trade practices such as dumping or sale of goods at low prices, because of the subsidy which they receive, by imposing trade remedy measures. • Rules of the Agreements on safeguards, Anti-dumping Practices and on Subsidies and Countervailing Measures • The procedures to be followed by the affected agricultural producers and industries in requesting for the application of the trade remedy measure • Rule governing the investigations of complaints and application of the measures B. Explanation of the business implications C. Background Notes: Chapter 9: Trade Remedy Measures: Safeguards, Anti-dumping and Countervailing Measures.		
V	Practical Module: The student shall prepare a brief Report and Presentation on how some of the WTO Rules mentioned above have impacted an industry or business preferably in India or any other country of student's residence or choice for study purpose with a concrete example.	8	(20 Marks of CEC Internal Evaluation)

4. Teaching Method: The following pedagogical tools will be used to teach this course:

(1) Lectures and Discussions

(2) Assignments and Presentations

5. Evaluation:

A	Projects/ Assignments/ Quizzes/ Individual or group Presentation/ Class participation/ Case studies etc	Weightage 50 marks (Internal Assessment)
B	Mid-Semester Examination	Weightage 30 marks (Internal Assessment)

C	End –Semester Examination	Weightage 70 marks (External Assessment)
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6. Text Books:

Sr.	Author	Name of the Book	Publisher	Edition
T1	System Mr. Vinod Rege, Former director of WTO	The Business Guide to the World Trading	International Trade Centre and the Commonwealth Secretariat, Geneva	Latest

7. Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Edition
R1	Patros Mavrodís	Trades in Goods: The GATT and the Other Agreements Regulating Trade in Goods	Oxford University Press	Latest edition
R2	Mitsun Matsunshila, Thomas J Schoenbhaum, Petros Mavroidis, Michael Hatin	The World Trade Organization, Law, Practice and Policy	The Political Economy of the World Trading System	Latest Edition
R3	Bernard M. Hoekman and Michael M. Kosteki	The Political Economy of the World Trading System	The Political Economy of the World Trading System	Latest Edition
R4	Vinod Rege	Negotiating in WTO, Lesson from the Commonwealth	The Commonwealth Secretariat	Latest edition

5	Vinod Rege	Evolution of Participation of Developing countries in Multilateral Trading System and the Strategy and Tactics Adopted by them for Pursuing their Diverse Interest while Maintain their Essential Unity and Solidarity” in “Opportunities and Obligations” New Perspective for Global and	Kulwar	Latest edition
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8. List of WTO Publications

1. The Results of the Uruguay Round of Negotiations: The legal Texts Contains all WTO legal instruments
2. WTO Analytical Index, 2 volumes, 3rd Edition: Guide summarizing by provisions in the legal texts the decisions and findings of the Panel and Appellate Body
3. Understanding the WTO: What it is, why it was created, how it works and what it does
4. A Handbook of Anti-dumping Investigations
5. Handbook on the WTO Dispute Settlement System
6. WTO Dispute Settlement: one page case studies (1990-2010)
7. Handbook on the WTO TRIPS Agreement

9. Session Plan:

Session	
1	Evolution of the system during the last six decades. Economic principles on which the rule based system is based Why GATT was considered as “rich man’s club” in the earlier years, by developing countries.
2	The reasons for change in attitude of developing countries and for increasing interest in participating WTO discussions and negotiations The role of WTO in keeping under continuous surveillance the implementation by the Member of the rules at national level
3	Its role in settlement of trade disputes Its role as a forum for negotiation for further liberalization of trade and for developing rules in new subject areas. Overview of the present ongoing negotiations: Doha Development Round
4	The rights which the system confers on the business community and the obligations which it imposes on them

5	How business can use the system to persuade the government to take up the matter for settlement under the WTO's dispute settlement procedures, where it considers that the importing country is in breach of its obligation.
6-7	The role of the business community in advising the government on the approach which it could adopt in the negotiations in WTO for the liberalization of trade and on formulating rules in new subject areas so that interest of domestic industry and other stake holders are fully taken into account
8	Protection to domestic industry should be given only through tariffs
9-10	Prohibition on the use of quantitative restrictions Tariffs should be reduced and non tariff measures eliminated by participating in the rounds of negotiations held under the auspices of WTO
11	The concept of binding of tariffs
12-13	MFN rule Exceptions to the MFN rule provided by: Preferential Trade Agreements (PTAs) Generalized system of Preferences (GSP) Partnership Agreements between the European Union and developing countries in Africa, Caribbean and some countries in the Pacific region (ACP)
14	National Treatment Rule Export incentives Export taxes Export restrictions
15-16	Rules relating to the valuation for customs purposes of the imported goods Rules relating to administration of import licensing procedures
17-19	Role of standards in production and marketing of goods
20	The approach adopted to ensure that standards, technical regulations and sanitary and phytosanitary measures do not create non tariff barriers to trade by encouraging use of international standards
21	Main provision of the Agreements of Technical Barriers to Trade and Sanitary and Phytosanitary Measures
22-23	Rules governing use of subsidies • Those applicable to industrial products • Those applicable to agricultural products • Improved discipline that would be adopted in the use of subsidies in the agriculture sector in the Doha Round

24-25	Need on the part of the government to come to the rescue of agricultural producers and manufacturing industries when they are not able to meet foreign competition or where foreign suppliers are engaging in unfair trade practices such as dumping or sale of goods at low prices, because of the subsidy which they receive, by imposing trade remedy measures
26	Rules of the Agreements on safeguards, Anti-dumping Practices and on Subsidies and Countervailing Measures
27	The procedures to be followed by the affected agricultural producers and industries in requesting for the application of the trade remedy measure
28	Rule governing the investigations of complaints and application of the measures
29-36	Practical Module: The student shall prepare a brief Report and Presentation on how some of the WTO Rules mentioned above have impacted an industry or business preferably in India or any other country of student's residence or choice for study purpose with a concrete example.