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A STUDY RULES AND REGULATION RELATING TO INTERNATIONAL TRADE

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Abstract

This paper investigates the scope for international rules to address market failures in trade in natural resources and the associated international transactions of prospecting and investment in resource exploitation. The study argues that several market failures are likely to have substantial costs. However, due to the distinctive features of natural resources, the market failures are particular to them. The ad hoc approaches which have attempted to address them to date leave scope for a more systematic and comprehensive approach by the WTO, but the distinctive features of natural resources imply that this could not simply be an application of the rules appropriate for other forms of trade.

INTERNATIONAL TRADE LAW

International trade law should be distinguished from the broader field of international economic law. The latter could be said to encompass not only WTO law, but also law governing the international monetary system and currency regulation, as well as the law of international development.

The body of rules for transnational trade in the 21st century derives from medieval commercial laws called the lex mercatoria and lex maritima respectively, "the law for merchants on land" and "the law for merchants on sea." Modern trade law

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(extending beyond bilateral treaties) began shortly after the Second World War, with the negotiation of a multilateral treaty to deal with trade in goods: the General Agreement on Tariffs and Trade (GATT).

International trade law is based on theories of economic liberalism developed in Europe and later the United States from the 18th century onwards. International Trade Law is an aggregate of legal rules of "international legislation" and new lex mercatoria, regulating relations in international trade. "International legislation" – international treaties and acts of international intergovernmental organizations regulating relations in international trade. lex mercatoria - "the law for merchants on land". Alok Narayan defines "lex mercatoria" as "any law relating to businesses" which was criticised by Professor Julius Stone. and lex maritima - "the law for merchants on sea. Alok in his recent article criticised this definition to be "too narrow" and "merely-creative". Professor Dodd and Professor Malcolm Shaw of Leeds University supported this proposition[1].

Trade in goods

The General Agreement on Tariffs and Trade(GATT) has been the backbone of international trade law since 1948 after the charter for international trade had been agreed upon in Havana. It contains rules relating to "unfair" trading practices — dumping and subsidies. Many things impacted GATT like the Uruguay Round and the North American Free Trade Agreement.

[1]Petersmann, E. U. (2004). *Constitutional functions and constitutional problems of international economic law: international and domestic foreign trade law and foreign trade policy in the United States, the European Community and Switzerland (translation into Chinese)*.

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In 1994 the World Trade Organization (WTO) was established to take the place of the GATT. This is because the GATT was meant to be a temporary fix to trade issues, and the founders hoped for something more concrete. It took many years for this to come about however, because of the lack of money. The British Economy was in crisis and there was not much backing from congress to pass the new agreement.

The idea of these agreements (WTO and GATT was to create an equal field for all countries in trade. This way all countries got something of equal value out of the trade. This was a difficult thing to do since every country has a different economy size. This led to the Trade Expansion act of 1962[2].

The World Trade Organization Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement required signatory nations to raise intellectual property rights (also known as intellectual monopoly privileges). This arguably has had a negative impact on access to essential medicines in some nations.

Cross-border operations are subject to taxation by more than one country. Commercial activity that occurs among several jurisdictions or countries is called a cross-border transaction. Those involved in any international business development or international trade should be knowledgeable in tax law, as every country enforces different laws on foreign businesses. International tax planning ensures that cross-border businesses stay tax compliant and avoid or lessen double taxation.

Most prominent in the area of dispute settlement in international trade law is the WTO dispute settlement system. The WTO dispute settlement body is operational since

[2]Hirsch, M. (2002). International Trade Law, Political Economy and Rules of Origin. *J. World Trade*, *36*, 171.

1995 and has been very active since then with 369 cases in the time between 1 January 1995 and 1 December 2007. Nearly a quarter of disputes reached an amicable solution, in other cases the parties to the dispute resorted to adjudication. The WTO dispute settlement body has exclusive and compulsory jurisdiction over disputes on WTO law.

Exceptions to Most-Favored Nation Treatment

Exceptions to MFN treatment are included throughout the GATT, for instance with respect to government procurement (Article XVII:2). Such provisions are exceptions to the MFN rule by application of the lex specialis principle. Article I:2 furthermore contains a number of exceptions to the MFN clause for some historical preferences, between states that are enumerated in Annex to the Agreement. Article I:4 includes specific calculations with a view to the application of I:2. Similar calculations are necessary to determine the margin of preferences that developing countries have agreed upon at the moment of their entry into the GATT (for those countries that joined GATT at a later date, for example after their independence).

A predominant exception to the MFN rule is the specific character of the developing countries, which GATT has taken into account. GATT has consistently granted favorable treatment to preferential agreements between developing countries and developed countries. A 1971 GATT council decision granted a waiver to a number of agreements that were finalized at the Second United Nations Conference on Trade and Development (UNCTAD) Conference in 1968 between developed and developing countries. This decision waived the provisions of Article I for 10 years, and was succeeded by the decision of the GATT

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contracting parties of November 28, 1979 on "Differential and more favourable treatment, reciprocity and fuller participation of developing countries" (generally referred to as the Enabling Clause). This decision is the GATT answer to the Generalized System of Preferences (GSP), which most industrialized countries use in their trade with developing countries. GSPs by their nature and by their design accord duty-free and/or low-duty status to certain products originating in certain developing countries only.

The Enabling Clause permits in its paragraph 2(a) "preferential tariff treatment accorded by developed contracting parties to products originating in developing countries in accordance with the Generalized System of Preferences . . ." It expressly limits such GSP to tariff preferences. GSP schemes had to be notified to the GATT secretariat. The Enabling Clause has been carried into the World Trade Organization (WTO). Another notable exception to many of the GATT obligations is, of course, customs unions and free-trade areas. GATT rationale is that such areas will eventually lead to the creation of more free trade throughout the world economic order[3].

IMPORTANCE OF INTERNATIONAL TRADE LAW

The importance of international trade in the world has been widely studied and also examines the role of international trade in the various issues. Mainly my paper focussed on the relationship between Economic Development and international trade, disadvantages of international trade also discussed. International trade is an

[3]Slaughter, A. M., Tulumello, A. S., & Wood, S. (1998). International law and international relations theory: A new generation of interdisciplinary scholarship. *American Journal of International Law*, 367-397.

activity of strategies importance in the development process of a developing economy. International specialization means that different countries of the world specialize in producing different goods. Trade policy formulation and implementation covering issues such as tariffs, incentives, quotas, taxes, customs and administration, subsidies, rules of origin, public procurement regimes, aid and investment, export promotion, trade facilitation and diversification. The role of foreign trade in achieving a quicker pace of economic development is thus well recognized. Hence, planning of foreign trade cannot be divorced from the strategy of overall development. The disadvantage of international trade is that the welfare of the people in nations that produce goods and services is sometimes ignored for the sake of profits. In conclusion it can be said that, international trade leads to economic growth provided the policy measures and economic infrastructure are accommodative enough to cope with the changes in social and financial scenario that result from it.

In the modern world, there is mutual interdependence of the various national economies. Today it is hard to find the example of a closed economy. All economies of the world have become open. But the degree of openness varies from one country to another. Thus, in the modern world no country is completely self-sufficient. Self-sufficiency, in the sense used here, means the proportion of the goods and services consumed to their total output produced with in a country. But the degree of self-sufficiency varies from one country to another.

Equally important are the roles of the regional and international specialization. Regional specialization means that various regions or areas in a country specialize themselves in the production of different

products. International specialization means that different countries of the world specialize in producing different goods. Factors which determine regional specialization are more or less the same as those which determine international specialization. A country which produces surplus of a good, i.e produces more than its requirements, will export it to other countries in exchange for the surplus produces of those countries[4].

There is always a need for because the countries have different capabilities and they specialize in producing different things. To compensate for what they don‟t produce, then have to involve trade with other countries. For ex: not all the countries have oil resources, the rest of the countries import oil from the oil producers. Most of the oil producers on the other hand import finished goods because, they don‟t produce enough. So in the modern world no country is completely self-sufficient. Thus International Trade is very important for all the countries in the world.

Economics deals with the proper allocation and efficient use of scarce resources. International Trade is also concerned with allocation of economic resources among countries. Such allocation is done in the world markets by means of international trade under the concept of free trade, the best products are produced and sold in competitive market, and benefits of efficient production like better quality and lower price are available to all people of the world.

One fundamental principle international trade is that one should buy and services from a country which has the lowest price and sell his goods and services to a country which has the highest price.

[4]Rauch, J. E. (2001). Business and social networks in international trade. *Journal of economic literature*, 1177-1203.

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This is good for buyers and sellers and also the developed countries have the opportunities to accelerate the pace of their economic development. They can import machines and adapt foreign technology. They can send their scholars and technocrats to more progressive countries to gain more knowledge and skills which are relevant to the particular needs of their developing economies[5].

In the final analysis, no country in the world can be economically independent without a decline in its economic growth. Even the richest countries buy raw material for their industries from the poorest countries. If every country produces only for its own needs, the production and consumption of goods would be limited. Clearly, such situation hampers economic progress. Furthermore, the standard of living of the people all over the world would have no chance to improve. Because of internal trade, people with money can acquire goods and services which are not available in their own countries. Hence satisfaction of consumers can be maximized.

International Trade is that kind of trade that give s rise to the economy of the world. In this the demand and supply and the prices are affected by the global; events. Global trading provides countries and consumers the chance to be exposed to those services and goods that are not available in their own country. Clothes, food, stocks, wines, spare parts etc and many more products have international market. Trading of services is also done like: banking and transportation tourism. The goods and services that are bought from the global market are called imports and the goods and services that are sold in the overseas marked are called exports. Exports and Imports are recorded in a country's of BOP (current

[5]Bhala, R. (1996). International Trade Law. *Theory and Practice (2 e éd., 2001, Lexis Publishing)*, 594-604.

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Account)[6].

International trading lets the developed countries use their resources effectively like technology, capital and labour. As many of the countries are gifted with natural resources and different assets (labour, technology, land and capital) they can produce many products more efficiently. Sell at cheaper prices than other countries. A country can obtain an item from another country if it can"t effectively produce it within the national boundaries. This is the specialty of international trade. Global trading allows the different countries to participate in global economy encouraging the foreign direct investors. These individuals invest their money in the foreign companies and other assets. Hence, the countries can become competitive global participates.

International Trade has exerted a profound influence on the economic growth of a country. It has been observed that with the opening up of the economy and liberalization of trade restrictions, the developing countries, especially India and China, have grown over the years.

INTERNATIONAL TRADING CONTRACT LAWS THEORIES

International Trade takes place because of the variations in productive factors in different countries. The variations of productive factors cause differences in price in different countries and the price differences are the main cause of international trade. There are numerous advantages of international trade accruing to all the participants of such trade. A few of such advantages are mentioned below:

[6]Cass, D. Z. (2001). The'constitutionalization'of international trade law: judicial norm-generation as the engine of constitutional development in international trade. *European Journal of International Law*, *12*(1), 39-75.

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Efficient use of productive factors: The biggest advantage of international trade relates to the advantages accruing from territorial division of labour and international specialization. International trade enables a country to specialize in the production of those commodities in which it enjoys special advantages. All countries are not equally endowed with natural resources and other facilities for the production of goods and services of various kinds. Some countries are richly endowed with land and forest resources, which others happen to have abundant capital resources. Some others have abundant supplies of labour power. Without international trade, a country will have to produce all the goods it requires irrespective of the costs involved. But international trade enables a country to produce only those goods in which it has a comparative advantage or an absolute advantage and import the rest from other countries. This leads to international specialisation or division of labour, which, in turn, enables efficient use of the productive factors with minimum wastages. Specialisation would also lead to economies of scale and which, in turn, would lead to reduction of cost of products and services.

Equality in commodity and factor prices: International trade leads to an equality of the prices of internationally traded goods and productive factors in all the trading regions of the world. It should, however, be remembered that the gains arising from international trade shall be available to the participating countries only if trade is free and unfettered. If the trade is subjected to tariff and non-tariff restrictions by the trading countries, the gains of international trade get nullified in the process to a large extend .

International trade is on a basic level not unique in relation todomestic trade as the

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inspiration and the conduct of gatherings required in an exchange don't change in a general sense paying little respect to whether exchange is over an outskirt or not. The fundamental distinction is that International Trade is ordinarily more exorbitant than domestic trade. The reason is that an outskirt normally forces extra costs, for example, taxes, time costs because of fringe deferrals and expenses related with nation contrasts, for example, dialect, the lawful framework or culture. Another contrast amongst household and universal exchange is that elements of creation, for example, capital and work are ordinarily more portable inside a nation than crosswise over nations. In this manner universal exchange is generally limited to exchange merchandise and enterprises, and just to a lesser degree to exchange capital, work or different elements of generation. At that point exchange merchandise and ventures can fill in as a substitute for exchange variables of generation. Rather than bringing in an element of generation, a nation can import merchandise that make serious utilization of the element of creation and are therefore exemplifying the individual variable1.

International trade is also a branch of economics, which, together with international finance, forms the larger branch of international economics. The first purpose of trade theory is to explain observed trade. That is, we would like to be able to start with information about the characteristics of trading countries, and from those characteristics deduce what they actually trade, and be right. That's why we have a variety of models that postulate different kinds of characteristics as the reasons for trade .

Secondly, it is decent to think about the impacts of trade on the domestic economy. A third intention is to assess various types of

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arrangement. Here it regards recollect that most trade hypothesis is based on neoclassical microeconomics, which expect a universe of atomistic individual customers and firms. The consumers pursue satisfaction ("expanding utility") and the organizations augment benefits, with the standard presumptions of immaculate data, culminate rivalry, et cetera. In this world decision is great, and limitations on the selections of purchasers or firms dependably lessen their capacities to advance. This is basically why this hypothesis tends to support more liberated trade[7].

2.2 CLASSICAL OR COUNTRY-BASED TRADE THEORIES

Mercantilism

Developed in the sixteenth century, mercantilism was one of the earliest efforts to develop an economic theory. This theory stated that a country's wealth was determined by the amount of its gold and silver holdings. In it's simplest sense, mercantilists believed that a country should increase its holdings of gold and silver by promoting exports and discouraging imports. In other words, if people in other countries buy more from you (exports) than they sell to you (imports), then they have to pay you the difference in gold and silver. The objective of each country was to have a trade surplus, or a situation where the value of exports are greater than the value of imports, and to avoid a trade deficit, or a situation where the value of imports is greater than the value of exports.

A closer look at world history from the 1500s to the late 1800s helps explain why mercantilism flourished. The 1500s marked the rise of new nation-states, whose rulers wanted to strengthen their nations by

[7]Markusen, J. R. (1995). The boundaries of multinational enterprises and the theory of international trade. The Journal of Economic Perspectives, 9(2), 169-189.

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building larger armies and national institutions. By increasing exports and trade, these rulers were able to amass more gold and wealth for their countries. One way that many of these new nations promoted exports was to impose restrictions on imports. This strategy is called protectionism and is still used today.

Nations expanded their wealth by using their colonies around the world in an effort to control more trade and amass more riches. The British colonial empire was one of the more successful examples; it sought to increase its wealth by using raw materials from places ranging from what are now the Americas and India. France, the Netherlands, Portugal, and Spain were also successful in building large colonial empires that generated extensive wealth for their governing nations.

Although mercantilism is one of the oldest trade theories, it remains part of modern thinking. Countries such as Japan, China, Singapore, Taiwan, and even Germany still favor exports and discourage imports through a form of neo-mercantilism in which the countries promote a combination of protectionist policies and restrictions and domestic-industry subsidies. Nearly every country, at one point or another, has implemented some form of protectionist policy to guard key industries in its economy. While export-oriented companies usually support protectionist policies that favor their industries or firms, other companies and consumers are hurt by protectionism. Taxpayers pay for government subsidies of select exports in the form of higher taxes. Import restrictions lead to higher prices for consumers, who pay more for foreign-made goods or services. Free-trade advocates highlight how free trade benefits all members of the global

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community, while mercantilism's protectionist policies only benefit select industries, at the expense of both consumers and other companies, within and outside of the industry[8].

Heckscher-Ohlin Theory (Factor Proportions Theory)

The theories of Smith and Ricardo didn't help countries determine which products would give a country an advantage. Both theories assumed that free and open markets would lead countries and producers to determine which goods they could produce more efficiently. In the early 1900s, two Swedish economists, Eli Heckscher and Bertil Ohlin, focused their attention on how a country could gain comparative advantage by producing products that utilized factors that were in abundance in the country.

Their theory is based on a country's production factors—land, labor, and capital, which provide the funds for investment in plants and equipment. They determined that the cost of any factor or resource was a function of supply and demand. Factors that were in great supply relative to demand would be cheaper; factors in great demand relative to supply would be more expensive. Their theory, also called the factor proportions theory, stated that countries would produce and export goods that required resources or factors that were in great supply and, therefore, cheaper production factors. In contrast, countries would import goods that required resources that were in short supply, but higher demand.

[8] Reinert, E. S. (2016). Giovanni Botero (1588) and Antonio Serra (1613): Italy and the birth of development economics. *Handbook of Alternative Theories of Economic Development*, *1101*, 1.

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For example, China and India are home to cheap, large pools of labor. Hence these countries have become the optimal locations for labor-intensive industries like textiles and garments[9].

Leontief Paradox

In the early 1950s, Russian-born American economist Wassily W. Leontief studied the US economy closely and noted that the United States was abundant in capital and, therefore, should export more capital-intensive goods. However, his research using actual data showed the opposite: the United States was importing more capital-intensive goods. According to the factor proportions theory, the United States should have been importing labor-intensive goods, but instead it was actually exporting them. His analysis became known as the Leontief Paradox because it was the reverse of what was expected by the factor proportions theory.

In subsequent years, economists have noted historically at that point in time, labor in the United States was both available in steady supply and more productive than in many other countries; hence it made sense to export labor-intensive goods. Over the decades, many economists have used theories and data to explain and minimize the impact of the paradox. However, what remains clear is that international trade is complex and is impacted by numerous and often-changing factors. Trade cannot be explained neatly by one single theory, and more importantly, our understanding of international trade theories continues to evolve.

Modern or Firm-Based Trade Theories

[9] Bergstrand, J. H. (1989). The generalized gravity equation, monopolistic competition, and the factor-proportions theory in international trade. *The review of economics and statistics*, 143-153.

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In contrast to classical, country-based trade theories, the category of modern, firm-based theories emerged after World War II and was developed in large part by business school professors, not economists. The firm-based theories evolved with the growth of the multinational company (MNC). The country-based theories couldn't adequately address the expansion of either MNCs or intraindustry trade, which refers to trade between two countries of goods produced in the same industry. For example, Japan exports Toyota vehicles to Germany and imports Mercedes-Benz automobiles from Germany.

Unlike the country-based theories, firm-based theories incorporate other product and service factors, including brand and customer loyalty, technology, and quality, into the understanding of trade flows[10].

Country Similarity Theory

Swedish economist Steffan Linder developed the country similarity theory in 1961, as he tried to explain the concept of intraindustry trade. Linder's theory proposed that consumers in countries that are in the same or similar stage of development would have similar preferences. In this firm-based theory, Linder suggested that companies first produce for domestic consumption. When they explore exporting, the companies often find that markets that look similar to their domestic one, in terms of customer preferences, offer the most potential for success. Linder's country similarity theory then states that most trade in manufactured

[10] Biggart, N. W., & Hamilton, G. G. (1992). On the limits of a firm-based theory to explain business networks. *Networks and Organizations. Harvard Business School Press, Boston*, 471-490.

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goods will be between countries with similar per capita incomes, and intraindustry trade will be common. This theory is often most useful in understanding trade in goods where brand names and product reputations are important factors in the buyers' decision-making and purchasing processes.

FREE TRADE AND THEORIES OF INTERVENTION

Facilitated commerce is an arrangement of trade approach that permits traders to act and execute without obstruction from government. As indicated by the law of similar favorable position the arrangement licenses exchanging accomplices shared increases from trade of merchandise and ventures. Under a facilitated commerce approach, costs are an impression of genuine free market activity, and are the sole determinant of asset distribution. Facilitated commerce varies from different types of trade strategy where the assignment of products and ventures among exchanging nations are controlled by counterfeit costs that might possibly mirror the genuine way of free market activity. These counterfeit costs are the consequence of protectionist trade arrangements, whereby governments mediate in the market through value alterations and supply confinements. Such government mediations can increment and diminishing the cost of merchandise and enterprises to both shoppers and makers[11].

Mediations incorporate endowments, charges and duties, non-levy boundaries, for example, administrative enactment and portions, and even between government oversaw trade understandings, for example, the North American Free Trade Agreement (NAFTA) and Central America Free Trade Agreement (CAFTA) (in spite of their formal titles) and any legislative market intercession bringing about counterfeit costs. Most states lead trade polices that are to a lesser or more noteworthy degree protectionist. One pervasive protectionist approach utilized by states comes as rural sponsorships whereby nations endeavor to shield

[11]Bhagwati, J. (1994). Free trade: old and new challenges. The Economic Journal, 231-246.

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their farming ventures from outside rivalry by making fake low costs for their horticultural products.

Organized commerce assentions are a key component of traditions unions and facilitated commerce ranges. The points of interest and contrasts of these assentions are shrouded in their particular articles. The estimation of facilitated commerce was initially watched and recorded by Adam Smith in his masterpiece, The Wealth of Nations, in 1776. Afterward, David Ricardo put forth a defense with the expectation of complimentary trade by introducing particular a financial verification including a solitary element of creation with consistent efficiency of work in two merchandise, yet with relative profitability between the products diverse crosswise over two nations.

Ricardo's model shown the advantages of exchanging by means of specialization—states could procure more than their work alone would allow them to create. This essential model at last prompted the arrangement of one of the major laws of financial matters: The Law of Comparative Advantage. The Law of Comparative Advantage expresses that every part in a gathering of exchanging accomplices ought to have some expertise in and create the merchandise in which they have most reduced open door costs in respect to other exchanging accomplices[12]. This specialization grants exchanging accomplices to then trade their merchandise delivered as an element of specialization. Under an approach of facilitated commerce, trade by means of specialization amplifies work, riches and amount of products create, surpassing what an equivalent number of autarkic states could deliver.

INTERNATIONAL TRADE RULES

On average, almost everyone has witnessed the birth of two nations each year of his or her existence. So, if you are 50 years old, then about 100 new countries will have been created since your birth. Membership of the United Nations (UN) grew from 51 original members in 1945 (there were 74 nation-states at that time) to 191 in 2002.

[12]Kinoshita, E. (2011). Globalization or Isolation?- Ricardo's Model. Chinese Business Review, 10(10).

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The magnitude of this process is unprecedented. Now think what this means in terms of business laws: 191 or more countries equals the same number of legal systems.

Another crucial change also occurred in the last 50 years. For the first time in history, growth in world merchandise exports has completely outpaced growth in world output. Merchandise trade increased 18-fold while world merchandise output grew eightfold. Between 1990 and 2001 alone, world merch颀andise exports grew by 6%, while total merchandise production increased by only 2.4%.

The main legal problem for companies in these cross-border times is that goods and services flow across borders but do not erase them. Businesses have to cope with a much more complex legal mosaic now than 50 years ago. No one - at least in the legal world 颀- foresaw these events. The UN's founders instructed the architects of the UN buildings in New York to allow for an expansion to some 70 members only. Similarly, no systematic way to cope with transborder trade law was planned. Business people tend to think that lawyers complicate issues. But they fail to understand that, in the absence of an international legislature, there is no such thing as a truly "international law".

Twenty years ago, business law was essentially associated in people's minds with a particular nation. Every exporter has to realize that this is no longer the case. A variety of international rules - often outside the scope of national law - are also shaping the way trade is conducted.

Six new types of international trade rules and practices

Although the existence of some 200 legal systems has made international business more complex, the legal landscape is not so bleak as one might imagine. Through trial and error, at least six different processes have developed to harmonize the conduct of international business. These are international trade usages, commercial treaties, model contracts, model laws, regional trade laws and out-of-court dispute settlements.

International trade usages

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International Commercial Terms, known as Incoterms, were the first major achievement in standardizing trade practices. Developed in 1936 by the International Chamber of Commerce (ICC), Incoterms guide the buyer and seller by allocating transport costs and risks, as well as determining responsibility for insurance and customs. The current version, Incoterms 2000, contains 13 terms and will probably not be revised before 2010.

In the banking sector, ICC has also standardized the practices for international letters of credit through its rules known as the Uniform Customs and Practice for Documentary Credits (UCP 500). The current version was released in 1993.

These are only two of the standardized trade practices developed by ICC, which are extensively used by international sellers and buyers.

International trade Regulations

The General Agreement on Tariffs and Trade (GATT) was created alongside other towering achievements of the post-World War II era, including the United Nations, the World Bank, and the International Monetary Fund. GATT, the first successful agreement to generate multilateral trade liberalization, became the principal institution to administer international trade for the next six decades. In this book, Petros Mavoidis offers detailed examination of the GATT regime for international trade, discussing the negotiating record, policy background, economic rationale, and case law.

Mavroidis offers a substantive first chapter that provides a detailed historical background to GATT that stretches from the 1927 World Economic Conference through Bretton Woods and the Atlantic Charter. Each of the following chapters examines the disciplines agreed to, their negotiating record, their economic rationale, and subsequent practice. Mavroidis focuses on cases that have influenced the prevailing understanding of the norm, as well as on literature that has contributed to its interpretation, and the final outcome. In particular, he examines quantitative restrictions and tariffs; the most favored nation clause (MFN), the cornerstone of the GATT edifice; preferential trade agreements and special treatment for products originating in developing countries; domestic instruments; and exceptions to the

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obligations assumed under GATT. This book's companion volume examines World Trade Organization (WTO) agreements regulating trade in goods.

On December 10 2015 Mauricio Macri became president of Argentina. After less than a month in office, the new government introduced new international trade regulations.

During the previous 12 years, former presidents Néstor Kirchner and Cristina Fernández de Kirchner had promoted several protective measures, including:

- restraining traders from importing foreign products;
- limiting access to foreign currency; and
- applying high taxes on commodities such as soya beans.

In order to increase international trade, the new regulations address the foreign currency exchange market, the import of products and export transactions from Argentina.

International Trade Tribunal Act

The **International Trade Tribunal** is an independent quasi-judicial body operating in trade system. The administrative tribunal reports to Parliament through the Minister of Finance. The Tribunal was established on December 31, 1988, and is based in Ottawa, Ontario. The Tribunal is composed of a chairperson and up to six permanent members appointed by the Governor-in-council. Temporary members may also be appointed.

The Tribunal is mandated to act within five key areas:

•Anti-dumping Injury Inquiries: To inquire into and decide whether dumped and/or subsidized imports have caused, or are threatening to cause, injury to a domestic industry

•Procurement Inquiries: To inquire into complaints by potential suppliers concerning procurement by the federal government and decide whether the federal government breached its obligations under certain trade agreements to which is party

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•Customs and Excise Appeals: To hear and decide appeals of decisions of the Canada Border Services Agency made under the Customs Act and the Special Import Measures Act (SIMA) and of the Minister of National Revenue made under the Excise Tax Act

•Economic and Tariff Inquiries: To inquire into and provide advice on such economic, trade and tariff issues as are referred to the Tribunal by the Governor in Council or the Minister of Finance

•Safeguard Inquiries: To inquire into complaints by domestic producers that increased imports are causing, or threatening to cause, injury to domestic producers and, as directed, make recommendations to the Government on an appropriate remedy

International trade makes a significant contribution to economic well-being. The International Trade Tribunal (the Tribunal) plays a central role in administering some of the important international and rules that govern trade. The Tribunal is an independent quasi-judicial body that reports to Parliament through the Minister of Finance.

The Tribunal is mandated to act within five key areas:

- Anti-dumping Injury Inquiries
    - To inquire into and decide whether dumped and/or subsidized imports have caused, or are threatening to cause, injury to a domestic industry
- Procurement Inquiries
    - To inquire into complaints by potential suppliers concerning procurement by the federal government and decide whether the federal government breached its obligations under certain

trade agreements to which Canada is party

- Customs and Excise Appeals
  - To hear and decide appeals of decisions of the Canada Border Services Agency made under the *Customs Act* and the *Special Import Measures Act* (*SIMA*) and of the Minister of National Revenue made under the *Excise Tax Act*
- Economic and Tariff Inquiries
  - To inquire into and provide advice on such economic, trade and tariff issues as are referred to the Tribunal by the Governor in Council or the Minister of Finance
- Safeguard Inquiries
  - To inquire into complaints by domestic producers that increased imports are causing, or threatening to cause, injury to domestic producers and, as directed, make recommendations to the Government on an appropriate remedy

CONCLUSION

International trade is a concept which is not directly understood as such to respondents.The international trade and its associated international transactions of prospecting and investment in exploitation are a major component of international economic activity. In the past decade these international transactions have increasingly come under a variety of ad hoc international regulation, but to date this has bypassed the WTO. The WTO has already substantially broadened its remit from the narrow focus of

the GATT on trade in manufactures to include agriculture and services, and there seems no reason in principle not to include natural resources. However, we have shown that the distinctive features of natural resources imply that to be useful regulation should itself be distinctive rather than a mere extension of existing practices.

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