

UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF ARTS

FOURTH YEAR EXAMINATION IN ARTS (ONSITE) SEMESTER I – 2021/2022

ECN 4171: TRADE FACILITATION

TIME ALLOWED: 2 HOURS

Answer four (04) questions only

(Use of Calculators are allowed)

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Question 01

- i. Briefly explain the importance of trade facilitation to international trade. (3 marks)
- ii. Describe how Sri Lanka's failures pertaining to trade facilitation contributed to the current economic crisis. (10 marks)
- iii. Analyze the role of trade facilitation in recovering from the economic crisis. Use at least three key points in your answer. (Hint: Trade facilitation includes facilitating trade in services too) (12 marks)

Question 02

- i. Examine why Sri Lanka's border taxation is considered complicated and the impact of such complicated tariff structure on international trade. (7 marks)
- ii. Using appropriate examples, explain what is meant by 'cascading effect.' (10 marks)
- iii. Analyze the importance of eliminating para-tariff as a measure of trade facilitation. (8 marks)

Question 03

- i. Using examples, distinguish the differences between Non-Tariff Measures (NTMs) vs Non-Tariff Barriers (NTBs). (4 marks)
- ii. Discribes four NTBs that are faced by Sri Lankan exporters and importers within Sri Lanka. (8 marks)
- iii. Suggest two short term measures and two long term measures that can be taken by the Sri Lankan government to address NTBs. (7 marks)
- iv. Discuss why trade facilitation measures should not merely focus on the implementation of a single window. (6 marks)

Question 04

- i. Using examples, explain four different ways in which mode 04 service exchange can take place. (8 marks)
- ii. Do you agree with the claims that under Singapore- Sri Lanka FTA, any person from Singapore can come work in Sri Lanka? Justify your answer. (10 marks)
- iii. Explain why facilitating trade in services is important to expand trade and investment. (7 marks)

Question 05

- i. Identify and discuss three restrictions imposed by the Sri Lankan government on foreign ownership of companies and how such restrictions act as obstacles to investment facilitation. (8 marks)
- ii. Merely entering into trade agreements will not result in an increase of Foreign Direct Investment (FDI) inflows to Sri Lanka. Critically analyze this statement while providing examples from Sri Lanka's experience with trade agreements. (8 marks)
- iii. Currently Sri Lanka is facing the worst economic crisis in the post-independence era. In such a context, ensuring the implementation of trade facilitation measures would be difficult. Briefly discuss three (3) trade facilitation measures that the government can implement given the ongoing crisis. (9 marks)

Question 06

- i. What are the objectives of the Trade Facilitation Agreement (TFA) (3 marks)
- ii. Briefly explain three (3) types of commitments in the TFA. (6 marks)
- iii. Critically investigate Sri Lanka's status regarding the implementation of TFA. (9 marks)
- iv. Implementing TFA commitments require political commitments as well as institutional changes/changes in the governing structure. Critically examine the statement. (7 marks)

Question 07

Write short notes on any 4 topics (6.25 marks each)

- i. Negative list vs positive list
- ii. Rules of Origin (ROO)
- iii. National Trade Facilitation Committee (NTFC)
- iv. Single Window
- v. Horizontal commitments