AILET

Important GK Questions for CLAT 2022

Indrasish Majumder · 10 Jun 2022

With less than 10 days to go for the CLAT exam, your preparation should now be in full force. One of the best ways to do that is to practice. In this article, you will get to practice some of the most important GK questions for CLAT 2022.

So pull up your socks, and get attempting!

Read the passage and answer the questions as asked below:

India has appealed against a ruling of the World Trade Organization's (WTO) trade dispute settlement panel which ruled that the country's domestic support measures for sugar and sugarcane are inconsistent with global trade norms, an official said.

The appeal was filed by India in the WTO's Appellate Body, which is the final authority on such trade disputes. India has stated that the WTO's dispute panel ruling has made certain "erroneous" findings about domestic schemes to support sugarcane producers and exports and the findings of the panel are completely "unacceptable" to it.

The panel in its ruling on December 14, 2021 recommended India to withdraw its alleged prohibited subsidies under the Production Assistance, the Buffer Stock, and the Marketing and Transportation Schemes within 120 days from the adoption of this report. The official said that the dispute panel's findings are unreasonable and not supported by the WTO rules and also evaded key issues which it was obliged to determine.

"The panel's findings on alleged export subsidies undermine logic and rationale. India has appealed in the appellate body of the WTO against the panel's ruling," the official added. According to WTO rules, a WTO member or members can file a case in the Geneva-based multilateral body if they feel that a particular trade measure is against the norms of the WTO.

Bilateral consultation is the first step to resolve a dispute. If both the sides are not able to resolve the matter through consultation, either can approach for the establishment of a dispute settlement panel. The panel's ruling or report can be challenged at the World Trade Organization's Appellate Body.

Interestingly, the appellate body of the WTO is not functioning because of differences among member countries to appoint members in this body. Over 20 disputes are already pending with the appellate body. The US has been blocking the appointment of the members. Even if the body, which is the final arbiter on such trade disputes, starts working from now, it would take over an year to take up India's appeal.

According to trade experts, if the appellate body also passes a ruling against India's support measures, New Delhi has to abide by that and make appropriate changes in the way it provides those measures.

Source: https://www.business-standard.com/article/pti-stories/india-appeals-against-wto-dispute-panel-ruling-on-sugar-export-subsidies-at-appellate-body-122010200195_1.html

Answer the following questions:

1. Which of the following is not among the countries that raised concerns?

a. Brazil

b. Poland

c. Australia

d. Guatemala

2. GATT (General Agreement on Tariffs and Trade) traces its origins to the 1944 Bretton Woods Conference, that established two key institutions, which of the following is one of them?

a. New Development Bank

b. World Economic Forum

c. International Monetary Fund (IMF)

d. International Bank for Reconstruction and Development (IBRD)

3. Which country recently got the 'developing country' status at the World Trade Organization (WTO), that became a contentious issue with a number of countries raising concerns against the decision?

a. South Korea

b. China

c. Sri Lanka

d. Brazil

4. Which country was the latest one to be granted observer status to WTO?

a. Bhutan

b. Turkmenistan

c. South Sudan

d. Uzbekistan

5. Who is the Director-General of the World Trade Organisation?

a. Christine Lagarde

b. Kristalina Georgieva

c. Klaus Schwab

d. Ngozi Okonjo-Iweala

Answers

1. (b)

Information: In 2019, Brazil, Australia and Guatemala dragged India into the WTO's dispute settlement mechanism alleging that New Delhi's domestic support measures to producers of sugarcane and sugar and export subsidies are inconsistent with global trade rules including various provisions of the WTO's Agreement on Agriculture, Agreement on Subsidies and Countervailing Measures, and the General Agreement on Trade and Tariffs (GATT).

These three countries, which are members of the WTO, had complained that India's support measures to sugarcane producers exceeds the de minimis level of 10 per cent of the total value of sugarcane production, which according to them was inconsistent with the Agreement on Agriculture. A panel was set up by the Dispute Settlement Body (DSB) of the WTO to look into the case and come up with its report.

2. (c)

Information: GATT traces its origins to the 1944 Bretton Woods Conference, which laid the foundations for the post-World War II financial system and established two key institutions, the International Monetary Fund (IMF) and the World Bank.

GATT signed by 23 countries in Geneva in 1947 came into force on Jan 1, 1948 with the purposes: to phase out the use of import quotas, to reduce tariffs on merchandise trade. GATT became the only multilateral instrument governing international trade from 1948 until the WTO was established in 1995.

3. (b)

Information: Recently, China got the ‘developing country’ status at the World Trade Organisation (WTO). It has become a contentious issue with a number of countries raising concerns against the decision. Earlier in 2019, the South Korean Government decided not to seek any special treatment as a developing country from future negotiations at the WTO.

The WTO has not defined ‘developed’ and ‘developing’ countries and therefore member countries are free to announce whether they are ‘developed’ or ‘developing’. China’s status as a ‘developing country’ at the WTO has become a contentious issue with a number of countries raising concerns over the upper middle-income nation deriving benefits reserved for developing countries under WTO norms

4. (b)

Information: After receiving the observer status from WTO in July 2020, Turkmenistan has become the last former Soviet republic to establish formal ties with the trade body. Turkmenistan has become the 25th observer of the organization.

An observer country is able to reap the benefits of acquisition of the status as it would help the nation to develop its economy, promote multilateral cooperation, attract foreign investment and develop international trade relations.

5. (d)

Information: The director-general of the World Trade Organization is the officer of the World Trade Organization (WTO) responsible for supervising and directing the organization’s administrative operations.

Since the World Trade Organization's decisions are made by member states, through either a Ministerial Conference or through the General Council, the director-general has little power over matters of policy – the role is primarily advisory and managerial in nature. The director-general supervises the WTO secretariat of about 700 staff and is appointed by WTO members for a term of four years.

To read more important GK questions for CLAT 2022, click here.