

WRAP Exams · wrapexams.com

Prelims PYQ, Mains model answers, and copy evaluation. Write to the desk for this paper, a doubt, or the AI waitlist.

ask@wrapexams.com · +91 85951 84903 · wrapexams.com

Q56

With reference to Trade- Related Investment Measures (TRIMS), which of the following statements is/are correct? 1. Quantitative restrictions on imports by foreign investors are prohibited. 2. They apply to investment measures related to trade in both goods and services. 3. They are not concerned with the regulation of foreign investment. Select the correct answer using the code given below: (a) 1 and 2 only (b) 2 only (c) 1 and 3 only (d) 1, 2 and 3 Official key: C.

UPSC Civil Services Prelims 2020 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation**(a)**

1 and 2 only. **TRIMs** is goods, not services (GATS is services).

(b)

2 only. Statement 2 fails.

(c) Official key

1 and 3 only. Quantitative import restrictions linked to investment are prohibited. **TRIMs** disciplines certain investment measures that affect trade in goods; it is not a general FDI-regulation code, and it does not cover services.

(d)

All three. Services limb is false.

Summary

Official key is (c) 1 and 3 only. **TRIMs** bans trade-related investment measures such as local-content and trade-balancing QRs on goods. It does not apply to services and is not the WTO's full foreign-investment statute.

Related possible facts

These can be asked in a future Prelims paper.

TRIMS

WTO; annex illustrative list - local content, FX balancing.

GATS / SCM

The services and subsidy neighbours.

WRAP Exams · Write. Read. Analyse. Practice. · <https://wrapexams.com/upsc/prelims/gs/2020/with-reference-to-trade-related-investment-measures-trims-which-of-the-following-statements-is-are-correct-1-quantitative-restrictions-on-imports-by-foreign-investors-are-prohibited-2-they-apply-to-investment-measures/> · ask@wrapexams.com · wrapexams.com

WRAP Exams