Trade glossary

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

AA - The Association Agreements (AA) are bilateral Agreements concluded with Malta, Cyprus, Turkey and Chile, covering trade-related issues as well as other areas of co-operation. They originally foresaw the progressive establishment of a customs union between the European Community and each of the countries concerned. However, due to political reasons in Malta and Cyprus, this aim was only achieved with Turkey (for industrial products).

AB – The Appellate Body (AB) is the seven-person body established by the WTO's Dispute Settlement Body to hear and resolve appeals made by WTO Members from recommendations in dispute settlement cases made by dispute settlement panels. The members of the AB are appointed for four years (renewable once) and are experts in international trade law.

ACAA - Agreement on Conformity Assessment and Acceptance of Industrial Products

Accession Partnerships - The Accession Partnerships with candidate countries to the EU set out the medium-term priorities for each country in its preparation for EU membership. The Partnerships bring together all the different forms of EU support within a single framework, so that the priorities identified can be covered by direct EU assistance. The Accession Partnerships have thus become the single programming framework for EU assistance.

Accounting rates - A method of settling accounts between two telecommunications operators who exchange traffic. This is in particular used for international traffic. The issue of accounting rates for international traffic has been extensively discussed in ITU and in the course of GATS negotiations concluded in 1997, because they have often been discriminatory and set arbitrarily in the absence of competitive pressures.

ACP – The African, Caribbean and Pacific countries (ACP) Group was formed when the first Lomé Convention was signed with the EEC in 1975. In 2002, it encompasses 78 states (48 African states, 16 Caribbean states, 14 Pacific states), which all have preferential trading relation with the EC.

AD – Dumping is exporting at below cost to gain market share. Article VI of the GATT 1994 permits the imposition of anti-dumping duties (AD) against dumped goods equal to the difference between their export price and their normal value, if dumping causes injury to producers of competing products in the importing country.

ADA - Anti-Dumping Agreement

Ad Valorem – According to value

Additional commitments - Commitments under the GATS made on regulations relating i.e. to qualifications, standards, licensing or competition matters, which do not discriminate against foreigners.

AEC - ASEAN Economic Community

AERC – Africa Economic Research Consortium

Affiliate - see **Control and ownership**

AFTA - Asian Free Trade Agreement

Agenda 2000 - Agenda 2000 is an action programme for 2000-2006 on enlargement and the reform of the common policies and a communication on the Union's future financial framework after 31 December 1999. Il a pour objectif le renforcement de l'UE afin d'accueillir ses nouveaux Membres. Attached to it are the Commission's opinions on the countries that have applied for Union membership.

Agenda 21 – Agenda 21 stands for "Agenda for the 21st Century". It is a declaration from the Earth Summit (UN Conference on the Environment and Development) held in Rio de Janeiro in 1992.

AGOA – African Growth and Opportunity Act

Agreement on Agriculture - The Uruguay Round Agreement on Agriculture (URAA) concluded in 1994 brought agricultural trade more fully under international trade rules and obligations. The Agreement provided for the conversion of non-tariff measures into ordinary customs duties, the establishment of tariff rate quotas (TRQs), reductions in export subsidies and trade-distorting domestic support, while having regard to non-trade concerns.

Agreement on Textiles and Clothing – see **ATC**

Agricultural products – In the WTO agriculture negotiations, the product coverage is defined in Annex 1 of the Agreement. The definition covers not only basic agricultural products such as wheat, milk and live animals, but the products derived from them such as bread, butter and meat, as well as all processed agricultural products such as chocolate and sausages. The coverage also includes wines, spirits and tobacco products, fibres such as cotton, wool and silk, and raw animal skins destined for leather production. It excludes fish and fish products, as well as forestry products.

Amber box – see **Box**

Andean Community/Group – see **CAN**

Anti-dumping – see **AD**

Anti-subsidy – see **AS**

APEC – The Asian Pacific Economic Co-operation forum (APEC) is a loose economic affiliation of Pacific Rim economies. This regional forum, composed of 21 members, is aimed at promoting liberal trade and economic co-operation.

Appellate Body – In the WTO, this is an independent seven-person body that, upon request by one or more parties to a dispute, reviews findings in panel reports.

Applied tariffs - These tariffs are actually being applied by WTO members on imported products. They can be equal to or lower than bound tariffs.

Arrangement on Guidelines for Officially Supported Export Credits - Institutional framework, developed under the auspices of the OECD, for the orderly use of officially supported export credits with repayment terms of two years or more; the Arrangement is a "Gentlemen's Agreement" among Participants, not an OECD Act, although it receives the administrative support of the OECD Secretariat. It was incorporated, via a Council Decision, into European Community law.

Article 133 (ex-Article 113) – Article 133 of the EC Treaty allows the European Union to negotiate, conclude and implement trade agreements with other countries of the world. It is therefore at the foundation of the European Common Commercial Policy. It states that:

1. The common commercial policy shall be based on uniform principles.
2. The Commission is the negotiator, responsible for conducting trade negotiations on the basis of "directives for negotiation" given by the Council to guide the Commission in its work and decides ultimately, whether to adopt an accord.
3. The Commission is the enforcer, responsible for ensuring compliance by third countries with international trade accords.
4. The European Parliament gives its assent to international agreements that set up an institutional structure (Article 300). Though Parliament has no explicit powers regarding the conduct of trade policy, the Commission informs Parliament on a regular basis about developments in European trade policy.
5. The Treaty of Nice has extended the coverage of the common trade policy to the fields of trade in services and the commercial aspects of intellectual property.
6. The Council acts by a qualified majority. Agreements on services and intellectual property are decided under the same qualified majority rule as applies to trade in goods. However the principle of "parallelism" applies, whereby the EU common trade policy is a complement to the single market and should not overstep domains where European Union Member States have agreed to

pool their sovereignty. Therefore education, human health, culture, transport and investment (for this latter area except in the field of services where the right of establishment is already covered by the WTO), as well as any area where internal Community rules require unanimity or where no harmonisation has taken place at Community level, are not decided by a qualified majority vote but by unanimity. In practical terms this means that any major trade agreement is likely to require the unanimous approval of member States.

7. Shared competencies : Article 133 also makes room for areas where competencies are shared between the EC and member states, namely in the areas relating to trade in cultural and audiovisual services, educational services, and social and human health services. Agreements thus negotiated shall be concluded jointly by the Community and the Member States.

Article XX GATT – GATT Article listing allowed "exceptions" to the trade rules.

AS – Anti-Subsidy duties are imposed to subsidised goods when three conditions are met:

- the subsidy must be specific: i.e. it must be an export subsidy, or a subsidy limited to a company, an industry or a group of companies or industries;
- material injury to Community industry: the import sales have caused or threaten to cause damage to a substantial part of the industry within the EC, such as loss of market share, reduced prices for producers and resulting pressure on production, sales, profits, productivity etc.;
- the interests of the Community: the costs for the Community of taking measures must not be disproportionate to the benefits.

  International rules on subsidies were substantially strengthened by the WTO's Agreement on Subsidies and Countervailing Measures, which entered into force on 1 January 1995 (its terms are incorporated in the EC's Regulation on protection against subsidised imports).

ASEAN – The Association of Southeast Asian Nations (ASEAN) is a regional grouping comprising 10 members, namely Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Laos, Cambodia and Myanmar. The aims and purposes of the Association are to accelerate economic growth, social progress and cultural development and to promote regional peace and stability.

ASEM – The Asia-Europe Meeting (ASEM) is an informal process of dialogue and co-operation bringing together 10 Asian nations (Brunei Darussalam, China, Indonesia, Japan, Republic of Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam), the 27 EU Member States and the European Commission.

These meetings are aimed at strengthening political, economic and cultural relations between Asia and Europe. The activities carried out under the Economic Pillar reinforce the economic relations between the two regions to promote greater economic growth and development by encouraging greater trade and investment between the two regions through trade and investment liberalisation and facilitation amongst the participating countries. In addition, Asian and European business and private sectors are able to strengthen their co-operation through increased contact, joint ventures and transfer of technology.

Asia-Europe Meeting – see **ASEM**

Asia Pacific Economic Co-operation – see **APEC**

Association Agreements – see **AA**

Association of Southeast Asian Nations – see **ASEAN**

Asymmetrical preferences - Asymmetrical preferences can be granted to support the economic development of a country or region. The EU has thus removed customs duties on 95 % of exports from the Balkan countries in order to boost their economic recovery and strengthen their trade links with Western Europe. [see **Generalised system of preferences**]

ATC –The Agreement on Textiles and Clothing (ATC) is a WTO agreement, which foresees that trade in textiles and clothing will become subject to GATT rules within a ten-year period, i.e. before 1 January 2005. It replaced the Multi-Fibre Arrangement.

ATL - Accelerated Tariff Liberalisation

Australia Group - Australia Group is the export control regime covering dual use items of chemical and biological nature.

Automaticity – Term that is used in reference to the "automatic" chronological progression for settling trade disputes in regard to panel establishment, terms of reference, composition and adoption procedures.

B

Balance of payments – The difference between the income and expenditure of a country on its external account, resulting from exports and imports of goods, services, and governmental transactions.

Balance of trade - The difference between a country's total imports and exports.

Barcelona process - A regional framework established in 1995, that brings the EU with the countries to the South and East of the Mediterranean together at both political and technical level to promote their common interests. It builds on the various Mediterranean policies developed by the EU since the 1960s but marks a new departure in that, for the first time, it creates a framework for strategic relations going beyond the traditional areas of trade and assistance co-operation. It represents the wish of the EU to work together with its partners and to get away from the previous situations, where the EU made proposals and its Mediterranean partners either accepted or rejected them. This multilateral process is underpinned by a network of bilateral relations between each partner country and the EU, embodied in Association Agreements. The full potential of the Barcelona process can only be achieved within this framework of comprehensive bilateral agreements in a wider regional setting of political, economic, social and cultural co-operation.

Basel Convention - A central goal of this MEA [see **MEA**] is "environmentally sound management". The aim of this convention is to protect human health and environment by minimising hazardous waste production whenever possible

Basic telecommunications services – This notion has mainly been introduced to identify services that were not liberalised in most countries in the early nineties, but which were subject to specific service negotiations in the WTO that ended in 1997. The basic telecommunications services cover i.e. voice telephony, telex, fax, and data transmission.

Berne Convention - Treaty, administered by WIPO, for the protection of the rights of authors in their literary and artistic works.

Bilateral agreement – A bilateral agreement is an agreement between two states which is only legally binding for these two states with the benefits typically not shared with other (third) countries.

Bilateral Investment Treaty - see **BIT**

BIT – Bilateral investment treaty

Box - In the field of agriculture when subsidies and countervailing measures are concerned, the term indicates a category of domestic support. Green box: supports considered not distorting trade and therefore permitted with no limits. Blue box: permitted supports linked to production, but subject to production limits and therefore minimally trade-distorting. Amber box: supports considered to distort trade and therefore subject to reduction commitments. Red box: outright forbidden.

Buyer credit - Loan or credit extended by a financial institution directly to a buyer/borrower in a third country.

BWI - Bretton Woods Institutions

Bypass - Arrangements or facilities whereby a customer can access long-distance, international, or other services without using the local operating company's switched network, thus avoiding payment of access charges. More generally, any means whereby customers avoid usage of a monopoly service or facility.

C ▲

CACM – The Central American Common Market (CACM) was signed in Managua on 13 December 1960. This trade regional grouping comprises Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Panama, without being a member, benefits too from the special arrangements.

CACO – The Central Asian Co-operation Organisation was created in 1994 for regional co-operation between Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan in the fields of trade, environment and transport. In December 2001 in Tashkent it expanded its purposes and became the a. m. CACO.

Cairns Group - The Cairns Group is a coalition of 17 "free trading" agricultural exporting nations (namely Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay) who account for one-third of the world's agricultural exports. The Group met in 1987 in Cairns, Australia, and agreed to present its common interests and concerns in the agricultural negotiations of the Uruguay Round. Following the conclusion of the Uruguay Round, the Group has continued to push for fair trade in agricultural exports, a cause that unites the Group across language, cultural and geographic boundaries.

CAN – The Community of Andean Nations is a regional grouping which members are Bolivia, Colombia, Ecuador, Peru, Venezuela and the Andean Integration System (AIS).

CAP – The set of legislation and practices adopted by the Member States of the European Union in order to provide a common, unified policy on agriculture. The Common Agricultural Policy (CAP) is the most integrated of the Community-wide policies implemented by the EU. It aims to ensure that agriculture can be maintained over the long term at the heart of a living countryside. This means that the policy is targeted not just at agricultural procedures but also at the wider rural population, consumers and society as a whole.

Caricom – Caribbean Community and Common Market. The Community is composed of 15 countries from the Caribbean, namely Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago. The Common Market provides for the establishment of a Common External Tariff, the common protective policy and the progressive co-ordination of external trade policies; the adoption of a scheme for the harmonisation of fiscal incentives to industry; double taxation arrangements among member countries; the co-ordination of economic policies and development planning; and a Special Regime for the LDCs of the Community.

Cariforum - Political consultation organisation designed to promote the regional integration of the Caribbean countries in the ACP Group. In 2002, the members were Antigua and Barbuda, The Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and

Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

Carry forward – In the textiles and clothing field, these terms refer to a situation where an exporting country uses part of the following year's quota during the current year.

Carry over – In the textiles and clothing field, these terms refer to a situation where an exporting country makes use of the previous year's unutilised quota.

'Catch all' - 'Catch all' is a measure (national or agreed in export control regimes) which allows members of regimes to control exports of dual use items non listed by the regimes.

CB – Capacity building

CBD – The Convention on Biological Diversity (CBD)'s objectives are the conservation of biological diversity; the sustainable use of its components; and the fair and equitable sharing of the benefits arising out of the utilisation of genetic resources.

CBI - Cross Border Initiative (Eastern and Southern Africa)

CCP - Common Commercial Policy

CEFTA – The Central European Free Trade Agreement is an economic co-operation agreement entered into force in March 1993 between the Czech Republic, Hungary, Poland, and Slovakia, which were later joined by Bulgaria, Slovenia, Croatia and Romania. The members' common goal was to have market economies and to secure development, greater welfare for their citizens, human rights, and democracy. All CEFTA member states have signed a Europe Agreement with the EU. Following the integration of several CEFTA countries into the EU in 2004, this group will be downsized to Bulgaria, Romania and Croatia.

Cellular service - A terrestrial radio-based service providing two-way communications by dividing the serving area into a regular pattern of sub-areas or cells, each with a base station having a low-power transmitter and receiver. Although cellular radio is primarily a means of providing mobile telephone service, it is also used to provide data services and private voice services, and as an alternative to fixed wired telephone service where this is scarce, such as in developing countries.

Central American Common Market – see **CACM**

Central Asian Cooperation Organisation – see **CACO**

Central European Free Trade Agreement - see **CEFTA**

Certificate of origin – A document that may be asked for by the authorities of the importing country, as evidence of the country of manufacture of the goods.

Certificate of product origin - A document required by certain foreign countries for tariff purpose, certifying the country of origin of specified goods.

CES - Common European Economic Space (under negotiation with Russia)

CET - Common External Tariff

CICA – Conference for Interaction and Confidence-building measures in Asia

CIME - Committee on international Investment and Multinational Enterprises (OCDE)

Circumvention - Measures taken by exporters to evade anti-dumping, countervailing duties, quotas or other restrictions by altering the country of origin of a product.

CIRR – In Export credits, Commercial Interest Reference Rate are minimum interest rates that may benefit from official financing support (direct credits/financing, refinancing or interest rate support). 'CIRRs' are adjusted monthly and are intended to reflect trends in commercial rates.

CIS – The Commonwealth of Independent States is an alliance of 12 of the 15 former Republics of the Soviet Union (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan).

CITES - Convention on International Trade in Endangered Species (a MEA).

CoA - Committee on Agriculture (WTO)

COM – Abbreviation for European Commission

COMESA – Common Market for Eastern and Southern Africa

Commercial Interest Reference Rate – see **CIRR**

Commercial non-viability - The two key tests (Helsinki Package) are: (1) Is the project financially non-viable, i.e. does the project lack capacity with appropriate pricing determined on market principles, to generate cash flow sufficient to cover the project's operating costs and to service the capital employed? (2) Is it reasonable to conclude that it is unlikely that the project can be financed on market or Arrangement terms?

Commercial presence - The possibility of a service provider to be physically present (a branch or subsidiary, for instance) within the territory of a member of the GATS for the purpose of supplying a service.

Commitments - Measures that countries are willing to adopt that will open up further their markets to foreign trade.

Committee – In the EU, the committees assist the institutions; they are involved at all stages of the legislative process. The Commission regularly consults committees of experts before drawing up a new proposal for legislation. These committees, which are made up of representatives of the milieus involved, private sector or national government experts, ensure that the Commission remains open to the concerns of those who will be affected by the legislation.

Committee 133 – The Commission reports to and is guided by a consultative trade policy Committee of the Council, the so-called Article 133 Committee. It consists of capital-based officials and meets every week, usually at the level of Deputy Members, and once a month at the level of Full Members. The Commission’s key representative at these meetings are the Head of the WTO unit, and the Director-

General for Trade, respectively.

Committee on Regional Trade Agreements – see **CRTA**

Committee on Specific Commitment – see **CSC**

Committee on Trade in Financial Services – see **CTFS**

Commodity – "Commodities" is the term used to designate primary goods or products - for example, iron ore, diamonds, wheat, copper, oil, or coffee - that are used or sold as they are found in nature.

Common Agricultural Policy – see **CAP**

Common commercial policy – The European Community has exclusive responsibility for the common commercial policy [see **Article 133**]. Trade policy is one of the main pillars of the European Union's relations with the rest of the world. It aims at liberalising world trade through the progressive abolition of restrictions on international trade and the lowering of customs barriers, as well as the promotion of multilateral trade rules. The EU's common trade policy covers all the main aspects of trade in goods and services (tariff and non-tariff barriers, trade defence).

Common Market Organisations - The Common Market Organisations (CMOs) are designed to monitor the respective agricultural markets, with the aim of providing farmers with a steady income and consumers with secure food supplies. They cover around 90% of EU output. Various measures may be used to fulfil the objectives of the CMOs. These include:

- **CTFS** – This WTO Committee on Trade in Financial Services carries out discussion on matters relating to trade in financial services and also formulates proposals and recommendations for consideration by the Council.
- market intervention (by buying up surplus production, providing storage aid, setting prices to support market);
- direct payments to farmers;
- production quotas;
- trade measures (customs duties, tariff rate quotas, export refunds).

Commonwealth of Independent States – see **CIS**

Community legal instruments – (Art. 249 EC Treaty) The term "Community legal instruments" refers to the instruments available to the Community institutions to carry out their tasks under the Treaty, with due respect for the subsidiarity principle (art. 5 EC Treaty). They are:

- Regulations: these are binding in their entirety and directly applicable in all Member States;
- Directives: these bind the Member States as to the results to be achieved; they have to be transposed into the national legal framework and thus leave a margin for manoeuvre as to the form and means of implementation;
- Decisions: these are fully binding on those to whom they are addressed;
- Recommendations and opinions: these are non-binding, declaratory instruments.

Common Market for Eastern and Southern Africa - This treaty was signed the 5 November 1993 in Kampala (Uganda). The actual member countries are Angola, Burundi Comoros, DR Congo, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. The main objective is to co-operate for the development of their natural and human resources for the good of all their people.

Community of Andean nations – see **CAN**

Community powers – Those powers, which are conferred on the Community in specific areas. The European Communities are thus able to act only within the framework of the Treaties. There are three types of powers, which depend on the mode of attribution:

- Explicit powers: these are clearly defined in the Treaties.
- Implicit powers: where the European Community has explicit powers in a particular area (e.g. transport), it also has a power in the same field with regard to external relations (e.g. negotiation of international agreements).
- Subsidiary powers: where the Community has no explicit or implicit powers to achieve a Treaty objective concerning the single market, Article 308 allows the Council, acting unanimously, to take the measures it considers necessary.

Comparative advantage – This rule of economics states that each country should specialise in producing those goods that it is able to produce relatively most efficiently.

Compulsory licences - An authorisation granted by government to an economic operator to use a patent-protected technology, without authorisation of the right holder. This introduces competition between the patent holder and a generic manufacturer, which normally leads to a price reduction of the product concerned.

Concessionality level - Difference between the nominal value of the loan and the discounted present value of the future debt service payments to be made by the borrower; the concessionality level is used in the context of tied aid and is calculated on the basis of Differentiated Discount Rate (DDR).

Consensus – In the WTO, voting consensus is achieved if no Member "present at the meeting when the decision is taken, formally objects". Each member has one vote, regardless of its economic clout and, among them, developing countries are increasingly making their presence felt. The WTO cannot therefore be hijacked by a group of countries or multinational companies.

Consultation group - Group of the Participants investigating if tied aid projects are compatible with the rules set up in the Arrangement.

Consumer protection - The EU is committed to ensuring that high food safety and quality standards are maintained. Therefore the EU endeavours to clarify in the WTO Doha round the WTO rules and procedures that protect consumers' health. Whereas WTO members have an inalienable right to take whatever public health measures they consider necessary to protect the well-being of their citizens, such measures must be justified, and not just disguised protectionist measures.

Consumption abroad - This relates to services consumed by nationals of a country, in the territory of another country where the service is supplied. Essentially, the service is supplied to the consumer outside the territory of the country where the consumer resides. This is typical of tourism, and also where the property of the consumer crosses the border to be serviced abroad, such as when ships go for repairs in another country. [for financial services, see **Purchase abroad**]

Container Security Initiative – see **CSI**

Control and ownership - A juridical person is 'owned' where an equity interest exceeds 50 %, and 'controlled' when there is "the power to name a majority of its directors or otherwise legally directs its actions". An affiliate relationship exists between two juridical persons when control is exercised directly, or the same person controls both.

Convention on Biological Diversity – see **CBD**

Corporate social responsibility – see **CSR**

Cotonou Agreement – Signed in 2000, this agreement replaced the Lomé Convention. Its main objective is to create a new framework for co-operation between the members of the African, Caribbean and Pacific Group of States (ACP) and the EU. One of the major dimensions of the new agreement is trade. The new framework makes significant amendments to the existing system in order to bring it into line with WTO rules and to enable the ACP States to play a full part in international trade. The Agreement provides for the negotiation of new trading arrangements [see **EPA**] with a view to liberalising trade between the two parties, putting an end to the system of non-reciprocal trade preferences from which the ACP States currently benefit. Nonetheless, the current system will remain in force for a preparatory period, up to 2008 (the date envisaged for the entry into force of the new arrangements) with a transitional period of at least 12 years. The Community's policy will take account of these countries' social and economic constraints in two ways: one, through social and human development policies (fight against poverty) and, two through co-operation and enhancing the capacities of ACP States in international bodies.

Council of the European Union - The EU's main decision-making body. It is the embodiment of the Member States, whose representatives it brings together regularly at ministerial level. [see **Article 133**]

Counterfeit - Unauthorised representation of a registered trademark carried on goods similar to goods for which the trademark is registered, with a view to deceiving the purchaser into believing that he/she is buying the original goods.

Counter-notification - A WTO member can allege that another WTO member has made changes affecting the operation of the GATS and report it to the CTS.

Countervailing duties – see **CVD**

Country eligibility for tied aid - Countries whose per capita GNP would be sufficient to make them eligible for 17 years loans from the World Bank.

Court of Justice of the EU – Ensures that Community law is uniformly interpreted and effectively applied. It has jurisdiction in disputes involving Member States, EU institutions, businesses and individuals. The Court of Justice has contributed to the definition of the common trade policy, namely through decision 1/78 of 1979 regarding mixed agreements and decision 1/94 of 1994 regarding shared competencies in the area of services and intellectual property and the principle of parallelism between trade policy and internal market policies.

Cross-border services - Where the trade takes place from the territory of one member into that of another. Only the service itself crosses the border, without the movement of persons, such as information and advice passing by means of fax or electronic mail, or cargo transportation. The service supplier does not establish any presence in the territory of the member where the service is consumed. [see **Modes of delivery**]

Cross-Compliance – Refers to the linking of direct farm aid payments to the respect of environmental requirements.

Cross-subsidisation - The practice of using profits generated from one product or service to support another provided by the same operating entity.

CRTA – In 1996, the WTO General Council established the Committee on Regional Trade Agreements (CRTA). This committee has to examine individual regional agreements and also to consider the systemic implications of the agreements for the multilateral trading system and the relationship between them.

CSC – The CSC examines how to improve the technical accuracy scheduling commitments for services, primarily in preparation for the coming round of GATS negotiations and oversees application of the procedures for the modification of schedules under Article XXI of the GATS.

CSI – In January 2002, U.S. Customs launched the Container Security Initiative (CSI) to prevent global containerised cargo from being exploited by terrorists. The initiative is designed to enhance security of the sea cargo container, which is a vital link in global trade.

CSP - Country Strategy Paper

CSR – Corporate social responsibility (CSR) is a concept whereby companies integrate social end environmental concerns in their business activities and in interaction with their stakeholders on a voluntary basis ("triple bottom line").

CTD - Committee on Trade and Development (WTO)

CTE – Committee on Trade and Environment (WTO)

CTFS - This WTO committee carries out discussion on matters relating to trade in financial services and also formulates proposals and recommendations for consideration by the Council.

CTG – Council for Trade in Goods (WTO)

CTR – The Common Technical Regulation is a mandatory regulation adopted by the European Commission. It covers “essential requirements” as defined in Directive 91/263/EEC (the ‘TTE Directive’), article 4 and 6, consistent with WTO undertaking.

CTS – WTO Council for Trade in Services (WTO)

CU – A Customs Union, or CU, can be defined as full trade liberalisation between two countries/regions, plus a single external tariff. The Customs Union is one of the key components of the Union, whereby non-EU countries exporting products to the EU are charged the same tariff regardless of which EU country is importing the goods. This made life simpler for traders and cut down their paperwork. The EU also concluded a customs union with Turkey in 1995, aiming at the free circulation of manufactured goods between the EU and Turkey.

Customs - The authorities designated to collect duties levied by a country on imports and exports.

Customs Union – see **CU**

CVD – Countervailing duties are actions taken by the importing country, usually in the form of increased duties, measures to offset subsidies given to producers or exporters in the exporting country (not in Use for the GATS).

D

DAC – Development Assistance Committee of the OECD.

DC – Developing countries: this term refers to the low- and middle-income countries in which most people have a lower standard of living with access to fewer goods and services than do most people in high-income countries. There are currently about 125 developing countries, with populations over 1 million. As of 2000, 4.9 billion people lived in developing countries. The GATT and other WTO agreements have special provisions for developing countries. These include: a significantly lower level of market access commitments (i.e. higher tariffs or less open services commitments) and the possibility to be granted preferential access to developed countries' markets, in derogation from the MFN obligation (in the EU, for example, through use of our Generalised System of Preferences).

De Minimis Rule – This is the rule whereby a WTO Member is not required to reduce:

- product-specific domestic support where such support does not exceed 5 % of that member's total value of production of a basic agricultural product; and
- non-product-specific domestic support where such support does not exceed 5 % of the value of that member's total agricultural production.

Developed countries – The top group in the comprehensive but mutually exclusive hierarchy of developed countries, Developing countries and Least developed countries. It includes the market-oriented economies of the mainly democratic nations in the OECD, Bermuda, Israel, South Africa, and the European mini-states. This group is also known as the First World, high-income countries, the North, industrial countries. As of 2000, 1.2 billion people lived in developed countries.

DDA - Doha Development Agenda: On 14 November 2001 the 142 members (at that time) of the WTO agreed at a meeting in Doha (Qatar) to launch a new round of world trade talks. This is the ninth round of world trade negotiations. Like previous rounds this one seeks to further liberalise trade. This round will also review trade rules and make sure that its conclusion strengthens the capacity of developing countries to benefit fully from the resulting boost in international trade. For this reason it has been called the Doha Development Agenda (DDA). The negotiations are scheduled to last three years - until January 2005.

DDR – Differentiated Discount Rate is a discount rate based on the Commercial Interest Reference Rate (CIRR) and used to determine the concessionality level of a loan.

Deficiency payment – In agriculture, this sum is paid by governments to producers of certain commodities and based on the difference between a target price and the domestic market price or loan rate, whichever is the less.

Denial of an export – 'Denial of an export' is the refusal by a member of an export control regime to grant an export authorisation for a dual use items on ground of conflict with national foreign and security policy.

Denial of benefits – WTO members have no obligation to extend the benefits of a trade agreement to non-members.

Developing countries – see **DC**

Differentiated Discount Rate – see **DDR**

Direct lender – ECA extending a loan directly to a buyer/borrower in a third country.

Discriminatory pricing - The practice of selling a product or service at different prices that do not reflect a proportional difference in costs.

Dispute Settlement Body - see **DSB**

Dispute Settlement Mechanism – see **DSM**

Dispute Settlement Panel - see **DSP**

Dispute Settlement Understanding – see **DSU**

Distortion - When prices and production are higher or lower than levels that would usually exist in a competitive market.

Doha Development Agenda – see **DDA**

Domestic subsidy – A domestic subsidy is a benefit not directly linked to exports.

DSB – Dispute Settlement Body: When the WTO General Council meets to settle trade disputes. It is made up of all Members, usually represented by ambassadors or equivalent. The DSB has the authority to "establish panels, adopt panel and Appellate Body reports, maintain surveillance of implementation of rulings and recommendations, and authorise suspension of concessions and other obligations."

DSM – Dispute settlement mechanism: A WTO forum introduced in 1995, that parties may use to assert their rights under multilateral trade agreements. It prohibits a member from resorting to unilateral action in response to alleged violations by other members. All 144 members have exactly the same right to seek redress if they believe one of their trading partners is breaking WTO rules. Thus the mechanism protects weaker members against arbitrary or unilateral action by the strongest. It is therefore one of the cornerstones of the WTO

DSP – A dispute settlement panel in the WTO is a body established ad hoc to give a ruling in a trade-related dispute between two trading nations. It issues a report, which is then adopted by the DSB, and may be appeled to the Appellate Body.

DSU – Dispute Settlement Understanding: WTO Agreement concluded during the Uruguay Round about the Dispute Settlement called "Understanding on Rules and Procedures Governing the Settlement of

Disputes”. Essentially, when two trading nations have a conflict, the DSU steps in and attempts to resolve the issue. In sum, "there are four phases in the WTO dispute settlement process: consultations, the panel process, the appellate process, and surveillance of implementation".

Dumping - Selling merchandise in another country at a price below the price at which the same merchandise is sold in the home market or selling such merchandise below the costs incurred in production and shipment.

Duty - Tax imposed on imports by the customs authority of a country.

E

EA - European Co-operation for Accreditation

EAC – East African Co-operation

EAEC – The Eurasian Economic Community is a customs union created in 1995 by Belarus, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and renamed in October 2000 in the a. m. EAEC.

EAGGF – The European Agricultural Guidance and Guarantee Fund finances the EU Common Agricultural Policy, and more specifically agriculture expenditure, measures linked to the environment, and structural and rural development measures. It now only accounts for around half of the EU budget, as compared to three quarters in the past, although this only represents around 0.5% of the EU’s GDP.

EBA – On 26 February 2001 the EU has eliminated all duties and quotas for all products originating from least developed countries (LDCs), with only three transition periods for bananas (2006), sugar (2009) and rice (2009). This initiative known as Everything But Arms (EBA), is part of the EU policy to enhance market access for developing countries.

EBRD - Established in 1991, the European Bank for Reconstruction and Development (EBRD)'s main aim is to support and facilitate the transition of seven formerly centrally planned economies in Europe

(Bulgaria, former Czechoslovakia, Hungary, Poland, Romania, former USSR, and former Yugoslavia) to market economies by committing 60% of its loans to privatisation.

EC – The objective of the European Community (EC) is to integrate the European Atomic Energy Community (Euratom), the European Coal and Steel Community (ESC), and the European Economic Community (EEC or Common Market).

ECA – European Court of Auditors

ECB – The European Central Bank frames and implements the European monetary policy, conducts foreign exchange operations and ensures the smooth operation of payment systems.

ECCAS – Economic Community of Central African States

ECG – OECD Working Party on Export Credits and Credit Guarantees

ECO – The Economic Cooperation Organisation was created in 1985 to promote economic, technical and cultural cooperation between Afghanistan, Azerbaijan, Iran, Pakistan, Turkey and the 5 Central Asian States.

Economic Cooperation Organisation – see **ECO**

Economic growth/development - The process by which a country increases its ability to produce goods and services.

Economic integration - The economic linkages or interdependencies between geographic areas. For the most part, these linkages relate to the flow of goods, services, capital and labour across regions. There may also be institutional and social consequences to greater economic integration in terms of convergence of social policy, and regulatory and institutional structures.

Economic needs test – see **ENT**

Economic Partnership Agreements – see **EPA**

Economic union - A group that combines the economic characteristics of a common market with some degree of harmonisation of monetary and fiscal policies.

Economies of scale - Achieving lower average cost per unit through a larger scale of production.

ECOWAS – The Economic Community Of West African States (ECOWAS) is a regional group of fifteen countries, founded in 1975. Its mission is to promote economic integration all fields of economic activity, particularly industry, transport, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial matters, social and cultural issues...

ECSC – European Coal and Steel Community

EDF – European Development Fund

EEA – The European Economic Area is an agreement of association which aim is to promote a continuous and balanced strengthening of trade and economic relations between EC and EFTA.

EEC – European Economic Community

EEP – The export enhancement programme is a programme of USA export subsidies that is usually launched to compete with subsidised agricultural exports from the EU on certain export markets.

EFTA (a) – The European Free Trade Association (EFTA) is an international organisation promoting free trade and economic integration. The Association maintains the management of (1) the EFTA free trade area, (2) the EFTA participation in the European Economic Area (EEA) and (3) EFTA's network of free trade agreements. Its four members are Iceland, Liechtenstein, Norway and Switzerland.

EFTA (b) – The European Fair Trade Association (EFTA) is an example of development occurring through trading relationships and improved commercial opportunities to bridge the gap between developed and developing countries and to facilitate the better integration of developing countries in the world economy. "Fair trade" initiatives give consumers the opportunity to contribute towards sustainable economic and social development in developing countries through their purchasing preferences.

EIA – Economic Integration Agreement

EIB – The European Investment Bank is the EU's financial institution. It finances investment projects that contribute to the balanced development, the integration and the economic and social cohesion of the Union.

EMAA – The Euro-Mediterranean Association Agreement is a net of individual agreements between the EU and each of the Mediterranean Partners in relation to the Barcelona Declaration. They outline the strategic areas of co-operation with regard to association policies and determine priorities for the implementation of activities, which are instrumental for the achievement of the goals of the Barcelona Declaration. Cyprus, Malta and Turkey, all eligible for future EU membership, are covered by former Association Agreements with trade accords (customs unions).

Embargo - A kind of quota that totally prohibits the imports of a specific product, or all products from a specific country.

Emergency safeguard measures - see **ESM**

ENT – The Economic Needs Test is a provision in national regulations, legislation or administrative guidelines that imposes a test having the effect of restricting the entry of service suppliers on the basis of an assessment of the market needs.

Environment and trade - Trade, trade liberalisation and environmental policies can and should be mutually supportive of sustainable development. Some aspects of the relationship between multilateral trade rules and instruments of environmental policy would benefit from clarification and from greater policy coherence. The DDA should endeavour to clarify the relationship between WTO rules and Multilateral Environmental Agreements (MEAs). Another important aspect of the environmental issue in the DDA is the emphasis on liberalisation of trade in environmental goods and services in the context of the market access negotiations [see **MEA**].

EPA – Economic Partnership Agreements: The ACP countries and the EU have agreed to enter into economic integration agreements - concluding new WTO compatible trading arrangements, progressively removing barriers to trade between them and enhancing co-operation in all areas related to trade. To this end, Economic Partnership Agreements will be negotiated with ACP regions, engaged in a regional economic integration process. Economic Partnership Agreements (EPAs) are thus intended to consolidate regional integration initiatives within the ACP. They are also aimed at providing an open, transparent and predictable framework for goods and services to circulate freely, thus increasing competitiveness of the ACP and ultimately facilitating the transition towards their full participation in a liberalising world economy - thereby complementing any initiative taken in the multilateral context. Formal negotiations started in September 2002 and EPAs will enter into force by 1 January 2008 at the latest. The non-reciprocal Lomé IV trade preferences will continue to be applied during the interim period (2000-2007). Escrow account - Account set up outside the buyer country (usually in a low risk country) in order to mitigate the transfer risk.

ESM – An emergency safeguard mechanism is a form of "safety valve" to allow a government to support a domestic industry that is facing difficulties in coping with intensified international competition in the domestic market, due to trade liberalisation obligations.

EST - Environmentally-sound technology

Establishment & non-establishment - The right of a private firm to establish a commercial presence in a foreign country; or to supply services cross-border without having to establish locally.

EU enlargement trade implications - Accession of ten countries (the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta Poland, Slovakia and Slovenia) is foreseen on 1 May 2004. As of accession the 10 new Member states will fully apply the EU common commercial policy. This implies taking over the EU’s bilateral agreements, but also the Common External Tariff and EU trade defence measures. In the WTO the new Member states will take over the EU’s multilateral trade commitments and obligations. Conversely, new Member states will drop their current prerogatives in the field of external trade. In the framework of the accession negotiations they have undertaken to denounce or renegotiate all international agreements which are incompatible with the obligations of membership. This will apply to all trade-related agreements, even those which do not foresee bilateral preferences. They will also abandon their trade defence measures against third countries as they take over the EU ones, in full conformity with the EU's WTO commitments.

Eurasian Economic Community – see **EAEC**

Euro (€) - The single currency of the European Economic and Monetary Union (EMU) introduced in January 1999. EMU members are Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Greece.

Euromed – see **EMAA**

Euro-Mediterranean Association Agreement – see **EMAA**

Europe Agreements – These specific types of Association Agreements were concluded between the EU and the countries of Central and Eastern Europe in the first half of the 1990's. They cover trade-related issues, political dialogue, legal approximation and various other areas of co-operation. The Europe Agreements aimed to establish free trade between the EU and the associated countries and provided for progressive alignment with Community rules as well as a number of specific provisions in areas such as capital movement, rules of competition, intellectual and industrial property rights and public procurement.

European Agricultural Guidance and Guarantee Fund – see **EAGGF**

European Bank for Reconstruction and Development - see **EBRD**

European Central Bank – see **ECB**

European Commission - The European Commission, comprising 20 Commissioners including at least one from each Member State, is the EU executive and takes policy decisions collectively. The Commission is the negotiator for trade, responsible for conducting trade negotiations. [see **Article 133**]

European Community – see **EC**

European Economic Area – see **EEA**

European Economic Community – The European Economic Community (EEC) was established in 1958 by treaty between Belgium, France, Italy, Luxembourg, Netherlands, and Germany, known, informally as the common market. The EEC was the most significant of the three treaty organisations that were consolidated in 1967 to form the European Community (EC is known since the ratification of the Maastricht treaty in 1993 as the European Union).

European Free-Trade Association – see **EFTA**

European Fair Trade Association - see **EFTA**

European Investment Bank – see **EIB**

European Parliament - Elected every five years by direct universal suffrage, the European Parliament is the expression of the democratic will of the Union's 374 million citizens. Though Parliament has no explicit powers regarding the conduct of trade policy [see Article 133], the Commission is committed to informing Parliament on a regular basis about developments in European trade policy.

European Union – The 1957 Treaty of Rome, which laid the foundations for the European Community (EC), was a milestone in the process of Western European integration. It looked forward to creating an ever closer union among the peoples of Europe, and set out the basis for a common market and an economic and monetary union. The implementation of a common trade policy was historically at the heart of the original plan that led to the founding of the European Union. In 1992, building on the success of the EC, European leaders signed the Treaty of Maastricht, which established the EU. The European Union is composed of three pillars: the European Community (first pillar), the common foreign and security policy (second pillar) and co-operation in the fields of justice and home affairs (third pillar). Matters falling within the second and third pillars are handled by the Community institutions (the European Council, the Council, the Commission, the European Parliament etc.), but intergovernmental procedures apply.

Everything But Arms initiative – see **EBA**

Ex Ante Guidance for Tied Aid - Guidance (agreed 1996) for project planners and aid agencies to evaluate whether projects would be eligible for tied aid under the Helsinki Package.

Export - An entry mode into international markets that relies on domestic production and shipments to foreign markets through sales agents or distributors, foreign sales branches, or foreign sales subsidiaries.

Export Competition – Covers all forms of government financial incentives or support for exported products (export subsidies, export refunds, export credits, tax breaks, differential pricing practices - operated by State-trading enterprises - abuse of food aid, etc). However, under the application of the Agreement on Agriculture only export refunds are subject to control and reduction.

Export control - Export control are measures aimed at controlling either dual use (civil items which can be used to contribute to producing arms) or arms.

Export credit - Financing arrangement allowing a foreign buyer of exported goods and/or services to defer payment over a period of time, often used also for an insurance or guarantee arrangement.

Export Credit Agency - Institution dealing with export credits.

Export enhancement programme – see **EEP**

Export Subsidies - Any form of government payment that helps an exporter or manufacturing concern to lower its export costs.

Export-performance - Requirement that a certain quantity of production must be exported.

External responsibilities of the EC - The EC's external responsibilities are defined in accordance with whether they are conferred on the Community or on the Member States. They are described as "exclusive" where they are exercised entirely by the Community and "mixed" where they are shared with the Member States. The distinction has been defined in Court of Justice case law and is based on the principle of implicit responsibility, whereby external responsibility derives from the existence of internal responsibility. The Treaty confers explicit responsibility in only two cases: commercial policy

(Article 133) and association agreements (Article 310).

F

Facilities-based service supplier (or operator) - A telecommunications service provider owning, as opposed to leasing, networks used to provide telecommunications services. Some countries have introduced such a notion to force operators to build their networks.

FAO - The Food and Agriculture Organisation is a UN specialised agency in charge of raising living standards and increasing availability of agricultural products.

FDI – A Foreign direct investment is the act of building productive capacity by investing money directly in a foreign country, a major source of economic development for developing and transition countries.

Food and Agriculture Organisation – see **FAO**

Food and Veterinary Office – see **FVO**

Foreign Direct Investment – see **FDI**

Foreign Sales Corporations – see **FSC**

Free-rider - A casual term used to infer that a country does not make any trade concessions, but nonetheless profits of tariff cuts and concessions made by other countries (negotiating under the most-favoured nation principle).

Free-Trade Agreements – see **FTA**

FSC - Foreign Sales Corporations : US tax treatment and related dispute with the EU.

FTA – Free Trade Agreements: The liberalisation of trade in goods and services on a reciprocal basis with a view to removing tariffs and import quotas for goods and nationality and market access restrictions for services. FTAs are exceptions to the basic rules of the GATT and the GATS as they deviate from the MFN principle. This is however subject to conditions: for goods, the Agreement must involve the elimination of all barriers to trade on substantially all bilateral trade between the members to the free trade area, for services, the agreement must have "substantial sectoral coverage", must eliminate measures that discriminate against service suppliers of other countries in the group, and must prohibit new or more discriminatory measures. EC policy towards potential new FTA initiatives derives from the Conclusions of the Amsterdam European Council of 16/17 June 1997. The EU also has many free trade agreements with partners in the region (the central European countries, the Mediterranean countries) and beyond (Mexico, Chile). FTAs now increasingly involve provisions affecting non-tariff measures and regulatory issues as well as provisions on trade facilitation and rule-making in areas such as investment, intellectual property, government procurement, technical standards and SPS issues and other regulatory and non-tariff areas.

FVO – The Food and Veterinary Office is an EU Agency in charge of ensuring that European Community legislation on food safety, animal health, plant health and animal welfare is properly implemented and enforced.

G ▲

G7 - Group of 7 leading industrial countries: France, Germany, Japan, UK, US, Canada and Italy.

G77 - Group of developing countries set up in 1964 at the end of the first UNCTAD (originally 77, but now more than 130 countries).

GAC – General Affairs Council: The Council is composed of one representative at ministerial level from each Member state, who is empowered to commit his Government. Which Ministers attend each Council meeting varies according to the subject discussed, although its institutional unity remains intact. Thus, Ministers for Foreign Affairs attend in the configuration known as the General Affairs Council to deal with external relations and general policy questions while the Ministers responsible for trade meet as the

Trade Council.

GATS – Since January 1995, world trade in services has come under a basic framework of WTO rules, the General Agreement on Trade in Services (GATS). A framework of rules for trade in services, similar to the GATT for trade in goods, was negotiated during the Uruguay Round. It includes the same basic principles of the GATT, i.e. transparency (advance publication of trade-related legislation, judicial review) and non-discrimination (MFN, and national treatment once a commitment has been accepted) for service trade. On the rules side three main issues are being pursued, namely negotiations on safeguards, subsidies, and government procurement. World Trade Organisation members are committed to negotiations to bring about further market opening to foreign providers. Negotiations are not about deregulation of services. The GATS is a flexible agreement and it does not cover services which are not supplied on a commercial basis or in competition with other providers. Only when a WTO member decides to subject a public service to the laws of the market is this service open to competition. Moreover GATS does not require reciprocity in the engagement from other WTO members: opening of a sector by a members does not need to be reciprocated with the opening of the same sector by the other party.

GATT - The General Agreement on Tariffs and Trade (GATT, 1947) is an economic treaty - now superseded by the WTO -, which organised the negotiations to liberalise world trade and oversaw the multilateral trading system. GATT 1947 refers to the old version of the GATT; whereas GATT 1994 the new version of the General Agreement, incorporated into the WTO, which governs trade in goods.

GC – WTO General Council

GCC – The Gulf Co-operation Council is a political, economic, social, and regional organisation established in 1981 and composed of the Arab States of the Gulf. This regional co-operation system was created to meet the challenges imposed by surrounding circumstances. The geographical proximity of the GCC states and the similarity of their regulations and economic and social conditions were additional factors that helped in the establishment of the GCC. Summits are held on a yearly basis.

GDP – The Gross Domestic Product represents the value of all final goods and services produced by an economy over a particular time period, normally a year.

General Affairs Council – see **GAC**

General Agreement on Tariffs and Trade – see **GATT**

General Agreement on Trade in Services - see **GATS**

General obligations - Obligations that should be applied to all services sector at the entry into force of the agreement.

Generalised system of preferences – see **GSP**

Geographical indications - Place names (or words associated with a place) used to identify products (for example, "Champagne", "Tequila" or "Roquefort") which have a particular quality, reputation or other characteristic because they come from that place.

Global Trust Fund - The WTO Doha Development Agenda Global Trust Fund is a central instrument created immediately after Doha to help countries participate in and benefit from ongoing WTO negotiations. The EC and Member States have pledged contributions worth almost € 14 million, or some 63% of total contributions.

Globalisation of the economy - Globalisation is the result of the worldwide spread of flows of goods, services, capital, technologies and people against a background of deregulation. It is driven by the development and diffusion of information technologies and the Internet. Globalisation can create more wealth for everybody, but it is also disruptive and needs to be harnessed by international rules. When business goes global, the rules for fair play must also be set globally.

GMO - Genetically Modified Organism

GNP – The Gross National Product is the Gross Domestic Product plus the income accruing to domestic residents as a result of investments abroad less income earned in domestic markets accruing to foreigners abroad.

Government Procurement Agreement – see **GPA**

GPA – The government procurement agreement was first negotiated during the Tokyo Round and entered into force on 1 January 1981. This is a plurilateral agreement — only some countries (members of the WTO) are parties to the agreement (it now has twenty-five members). Its purpose is to open up as much of the government procurement business as possible to international competition. It is responsible for improving the transparency of the government procurement laws, regulations, procedures and practices. It also has to ensure that these laws do not protect domestic products or suppliers, or discriminate against foreign products or suppliers.

Grace period – Period from delivery/commissioning with no repayment due.

Grandfathering - Permanent exemption of specific measures from coverage of a trade agreement when it enters into force; alternatively, under national regulations, respect of rights acquired by firms established before the entry into force of a new restrictive regulation.

Grant element – The grant element concept is used by the DAC; in contrast to the concessionality level, the DAC uses a discount rate of 10% instead of the DDR.

Gross Domestic Product – see **GDP**

Gross National Product – see **GNP**

Growth rate - The change (increase, decrease, or no change) in an indicator over a period of time, expressed as a percentage of the indicator at the start of the period. Growth rates contain several sets of information. The first is whether there is any change at all; the second is what direction the change is going in (increasing or decreasing); and the third is how rapidly that change occurs.

GSP – The Generalised system of preferences is a system by means of which preferential tariffs are granted unilaterally to certain countries on a non-reciprocal basis. It was approved by GATT in 1971, allowing industrialised members to adopt one-way tariff preferences in favour of developing countries. The waiver was made more general and permanent in 1979 with adoption of so-called "Enabling Clause" allowing industrialised countries to implement measures extending "differential and more favourable treatment" to developing countries. The EU launched this preferential system in 1971, in order to help developing countries sell more of their products in the industrialised countries and build up their own industry. The preferences under the GSP are granted to exports of specific products from particular countries.

GSP Plus - a new scheme for especially vulnerable countries with special development needs was created in 2005. It covers around 7200 products which can enter the EU duty free. The beneficiaries must meet a number of criteria including ratification and effective application of 27 key international conventions on sustainable development and good governance. To benefit from "GSP Plus" countries need to demonstrate that their economies are poorly diversified, and therefore dependent and vulnerable. Poor diversification and dependence is defined as meaning that the five largest sections of its GSP-covered imports to the Community must represent more than 75% of its total GSP-covered imports. GSP-covered imports from that country must also represent less than 1% of total EU imports under GSP. They also have to have ratified and effectively implemented the 16 core conventions on human and labour rights and 7 (out of 11) of the conventions related to good governance and the protection of the environment. In any case, the 27 conventions have to be ratified by the beneficiary countries by October 2008.

Gulf Co-operation Council - see **GCC**

H

Harmonised System – A universal nomenclature developed by the WCO, which is arranged in six digit codes allowing all participating countries to classify traded goods on a common basis. Beyond the six-digit level, countries are free to introduce national distinctions for tariffs and many other purposes.

Helsinki package - Changes (disciplines on tied aid) to the Arrangement, agreed in 1991.

High-income country - A country having a GNP per capita equivalent to €8571 or more in 1999. Most high-income countries have an industrial economy. There are currently 50 high-income countries in the world. Their combined population is about 0.9 billion, less than one-sixth of the world's population.

HIPC - Highly Indebted Poor Countries

I

IAEA – International Atomic Energy Agency

IAF - International Accreditation Forum

IBRD - International Bank for Reconstruction and Development

ICAO - International Civil Aviation Authority

ICH – The International Conference on Harmonisation for pharmaceuticals (ICH) brings together the regulatory authorities of the EU, Japan and the US and pharmaceutical industry experts to discuss scientific and technical aspects of pharmaceutical registration. The purpose is to reduce or obviate the need to duplicate the testing carried out during the research and development of new medicines, so as to achieve a more rational use of human, animal and material resources.

IEA – OECD International Energy Agency

IF - Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries ("Integrated Framework")

IFI - International Financial Institution

ILAC - International Laboratory Accreditation Co-operation

ILO – The International Labour Organisation is a UN specialised agency concerned with world labour issues. The European Union wishes the establishment of a regular dialogue on trade and social development between the WTO and the ILO, and between other international agencies (UNCTAD, World Bank, IMF), to reinforce globalisation's social pillar (the Commission's communication of July 2001 on core labour standards).

IMF – The International Monetary Fund is an international organisation of 184 member countries established to promote international monetary co-operation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries to help ease balance of payments adjustment.

IMO - International Maritime Organisation

Information Technology Agreement – see **ITA**

Intellectual property – see **IP**

Intellectual property rights – see **IPR**

Interconnection/Interconnection charge - A charge levied by network operators on other service providers to recover the costs of the interconnection facilities (including the hardware and software for routing, signalling, and other basic service functions) provided by the network operators.

Internal support - Any measure - direct payments to producers, including deficiency payments, and input and marketing cost reduction measures - that acts to maintain producer prices at levels above those existing in international markets.

International Conference on Harmonisation for pharmaceuticals – see **ICH**

International Labour Organisation - see **ILO**

International Monetary Fund – see **IMF**

International Standards Organisation – see **ISO**

International Telecommunication Union - UN specialised agency concerned with world telecommunications. It adopts non-binding recommendations for the adoption of standards, the harmonisation of frequency allocations, and regulatory practices for telecommunications services.

International Textiles and Clothing Bureau – see **ITCB**

International Trade Centre – see **ITC**

Investment agreement - An agreement specifying the rights and responsibilities of a host government and a corporation in the structure and operation of an investment project.

Invisible earnings - Earnings and income from overseas, excluding from the sale of goods: includes income from the sale of services, and also interest, profits and dividends from investments abroad.

IP – Intellectual property refers to the ownership of ideas, including literary and artistic works (protected by copyright), inventions (protected by patents), signs for distinguishing goods of an enterprise (protected by trademarks) and other elements of industrial property. Material or communicable result in forms of discoveries, inventions, designs and literary and art works. Of scientific, humanistic, literary, and artistic endeavour. It includes, but is not limited to, works in the form of scientific discoveries and inventions, designs, patents, trademarks, books, monographs, papers, paintings, drawings and sculpture, performances, computer software, and lecture and conference presentations. In the text, individual items of intellectual property are referred to as works or properties.

IPRs – Intellectual property rights protect property of an artistic or commercial nature.

ISO – The International Standards Organisation is an organisation in charge of promoting the development of international standards.

ITA - Information Technology Agreement: Under this Ministerial-Declaration on Trade in Information Technology Products, participants undertook to remove tariffs on IT products by the year 2000. ITA II is referring to the negotiations aimed at expanding ITA’s product coverage.

ITC – The International Trade Centre (ITC) UNCTAD/WTO is the focal point in the UN system for technical co-operation with developing countries in trade promotion. ITC is now operated jointly by WTO and the UN, the latter acting through the UNCTAD. As an executing agency of the UNDP, ITC is directly responsible for implementing UNDP-financed projects in developing countries and economies in transition related to trade promotion.

ITCB – The International Textiles and Clothing Bureau is a Geneva-based group composed of some 20 developing country exporters of textiles and clothing.

J

JCC – Joint Co-operation Committee

JITAP – The Joint Integrated Technical Assistance Programme is a WTO Programme that enhances development opportunities of African country partners, through their more effective participation in the Multilateral Trading System (MTS). JITAP's three objectives are to:

- Build national capacity to understand the evolving MTS and its implications for external trade;
- Adapt the national trading system to the obligations and disciplines of the new MTS;
- Seek maximum advantage from the new MTS by enhancing the readiness of exporters.

JMTC - Joint Ministerial Trade Committee (Cotonou's institution)

Joint Integrated Technical Assistance Programme – see **JITAP**

Joint venture - An agreement of two or more companies to pool their resources to execute a well-defined mission. Resource commitments, responsibilities, and earnings are shared according to a predetermined contractual formula.

Juridical person - Any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association.

K ▲

L ▲

Labour standards in international trade - WTO members confirmed in Doha the commitment to core labour standards and support for co-operation between ILO and WTO on the social aspects of trade and investment liberalisation. The EU sees core labour standards as a key component of socially responsible globalisation, that must be supported everywhere and for everyone, starting with the four core standards identified by the International Labour Organisation (ILO) in 1998 (freedom of association and collective bargaining, the elimination of all forms of forced labour, the abolition of child labour and the elimination of discrimination in the matter of employment). The Union is not trying to undermine the developing countries' comparative advantages, it prefers helping the developing countries apply core standards to a sanctions-based approach. This is why the European Union wishes to propose to its partners the establishment of a regular dialogue on trade and social development between the WTO and the ILO. [see **ILO**]

LAC - Latin America and the Caribbean

Large Aircraft Sector Understanding – see **LASU**

LASU – The Large Aircraft Sector Understanding is the first part 1 of the "Sector Understanding on Export Credits for Civil Aircraft" within the Arrangement, which sets special terms for new large aircraft and engines for such aircraft.

LCA – The life cycle analysis (LCA) is a method of assessing whether a good or service is environmentally friendly.

LDC – Least Developed countries: Those 49 recognised countries as defined by the United Nations, that are deemed structurally handicapped in their development process, facing more than other developing countries the risk of failing to come out of poverty as a result of these handicaps, and in need of the highest degree of consideration from the international community in support of their development efforts. Numerous indicators can be used to illustrate that these are really the poorest nations on earth, such as their increasing marginalisation in the world economy, as reflected in their tiny share of world exports. Although they make up around 10% of the world's population, LDCs account for less than 0.5% of world exports. In 1980 their share was 0.8%. 'LLDC' is sometimes used for 'Least developed countries' in opposition to 'LDC', which then stands for 'Less developed countries'.

Least Developed Countries – see **LDC**

Life cycle analysis – see **LCA**

Lisbon Agreement - Treaty, administered by WIPO, for the protection of appellations of origin and their international registration.

LLDC – see **LDC**.

Local-content measure – In investment, this measure requires that the investor purchase a certain amount of local materials for incorporation in the investor's product.
Lomé Convention - The first Lomé Convention, signed in 1975, brought together the nine EU Member States at the time and 46 ACP countries. It was renewed four times between 1975 and 2000, before being replaced by the Cotonou Agreement in 2000. The main characteristics of this Convention are the partnership principle, the contractual nature of relationship and the combination of aid trade and political aspects, together with its long-term perspective.

M

MA – see Market Access

Madrid Agreement - Treaty, administered by WIPO, for the repression of false or deceptive indications of source on goods.

MAI – The failed OECD Multilateral Agreement on InvestmentMarket Access – Market access is a legalistic term referring to the government-imposed conditions for an industry to penetrate a related market in a foreign country under non-discriminatory conditions. It is thus the extent to which a good or a service can compete with locally-made products in another market. Cutting market access barriers for industrial products is a key subject of the Doha WTO Round, in particular for products of export interest to developing countries and for environmental goods.

Market Access strategy - The EU market access strategy created mechanisms and provisions to serve Europe's exporters. In practical terms, the main tool is a market access database, available via the Internet. This provides basic information of interest to EU exporters, such as an exporter's guide, the rates of customs and internal taxes in key export markets, import licensing requirements and special customs clearance formalities.

Market economy - An economy in which resources allocations, prices and other marketing decisions are primarily determined by the free market.

MEA - Multilateral Environmental Agreements are the best way to deal multilaterally with major environmental issues. But their relationship with trade needs to be clarified. In short, the pursuit of profit must not be allowed to override environmental concerns, nor must such concerns constitute an unwarranted obstacle to trade. For instance, problems could arise if a country imposed a trade measure for environmental purposes on another WTO member that had not signed the MEA. Their relationship with trade and WTO rules needs to be clarified.

Measures - Government laws, regulations, rules, procedures, decisions, administrative actions, and any other forms. The term covers central, regional and local authorities; and the rules of non-governmental bodies in the exercise of powers delegated by any of them.

MED – Abbreviation for "Mediterranean"

Mediterranean Partners (and Mediterranean region) - In EU terminology the term is used synonymously for countries and territories which have entered into the Euro-Mediterranean Partnership. Under the MEDA Regulation, the 12 Mediterranean countries and territories (Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Palestinian Authority, Syria, Tunisia, and Turkey) are partners of the EU, based on the multilateral document of the Barcelona Declaration. Each of them are legal partners through the Association Agreements and the individual agreements on Financing Framework Conventions (FFC). In a less political sense the term “Mediterranean Region‟ is used.

Medium and long-term directive – Council Directive on harmonisation of the main provisions concerning export credit insurance for transactions with medium and long-term cover.

MERCOSUR – The “Common Market of the South” - the Southern Cone Common Market - is a regional grouping comprising Argentina, Brazil, Paraguay and Uruguay. This regional trade pact reduces tariffs on intra-pact trade by up to 90 %.

MFA – The Multifibre Arrangement is an agreement (1974-94) under which countries whose markets are disrupted by increased imports of textiles and clothing from another country were able to negotiate quota restrictions.

MFN – The "Most-favoured-nation" an advantage granted through negotiation to one country must be extended to all WTO members. This principle of not discriminating between one’s trading partners is commonly termed the Most-Favoured Nation Clause (MFN) and governs trade between WTO members.

MFN Exemption - Measures inconsistent with the MFN principle listed by countries in an annex, for which the MFN obligation is waived for a specified period.

Missile Technology Control Regime – see **MTCR**

MITI – Japan’s Ministry of International Trade & Industry

MNE - Multinational Enterprise

Modes of delivery - A classification related to trade in services. Services can be sold in four different ways:

1. The service itself can cross a border (i.e. a sale over the internet)
2. It can be consumed abroad (i.e. a training course, medical operation or tourist visit abroad)

3. It can be purchased from a foreign company that is established locally
4. The personnel of a foreign firm can travel temporarily to a host country to perform services (i.e. key management for a construction project). In practice mode 3 is the most important, although this may vary by sector.

The above market access commitments are accepted in the GATS negotiations in four ways, called modes of delivery :
MODE 1 (GATS) - Cross-border supply is defined as covering services provided from the territory of one Member into the territory of another Member
MODE 2 (GATS) - Consumption abroad refers to situations where a service consumer (e.g. tourist or patient) moves into another Member's territory to obtain a service
MODE 3 (GATS) - Commercial presence implies that a service supplier of one Member establishes a territorial presence, including through ownership or lease of premises, in another Member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains).
MODE 4 (GATS) - Presence of natural persons or the admission of foreign nationals to another country to provide services there.

Most-favoured-nation -

MoU - Memorandum of Understanding

MRA – Mutual recognition agreements (MRAs) are agreements on the mutual recognition of conformity assessment of regulated products. Through an MRA, each party is given the authority to test and certify products against the regulatory requirements of the other party, in its own territory and prior to export. Each party recognises the tests, certificates and approvals issued by agreed conformity assessment bodies of the other party, and the products can be exported and placed on the other party's market without undergoing additional procedures. MRAs seek to facilitate trade while safeguarding the health, safety and environmental objectives of each party. Each party to an MRA is free to set its health, consumer protection, environmental standards or other regulations at whatever level it deems necessary as long as they comply with international obligations. II. SERVICES: agreements on the mutual recognition of education, experience, requirements, licences or certifications for the practice of relevant services trades and professions.

MS - Member States (of the European Union)

MSA – Multilateral Steel Agreement: At the initiative of the United States, negotiations have been underway in Geneva to develop a multilateral within the GATT that would discipline the use of various government practices that have distorted international trade in steel.

MTCR – The missile technology control regime (MTCR) controls exports of dual use items related to missiles.

MTR - Mid-Term Review

MTS - Multilateral Trading System

Multifibre Arrangement – see **MFA**

Multifunctionality – The complementary role played by agriculture in addition to producing food. It includes its contribution to sustainable development, the protection of the environment, the sustained vitality of rural areas and poverty alleviation.

Multifunctional agriculture - see **Multifunctionality**

Multilateral - EU trade policy works on two complementary levels: Multilateral and bilateral. The "multilateral" level refers to the system of trading rules agreed by all WTO member countries.

Multilateral Agreement on Investment – see **MAI**

Multilateral Environmental Agreement – see **MEA**

Multilateral Steel Agreement – see **MSA**

Multilateralism – For the states, it consists in collectively elaborating the rules that will manage their relations.

Multi-modal - Transportation using more than one mode. In the GATS negotiations, essentially door-to-door services that include international shipping.

Mutual Recognition Agreement – see **MRA**

N

NAFTA - North American Free Trade Agreement

NAMA – Non-Agricultural Market Access

National schedules - The equivalent of tariff schedules in GATT, laying down the commitments accepted - voluntarily or through negotiation - by WTO members.

National treatment – see **NT**

NB – The role of a Notified Body is to provide services for conformity assessment on the conditions set out in the New Approach Directives in support of CE marking. This normally means assessing the manufacturers' conformity to the essential requirements listed in each directive. Conformity assessment can be inspection, quality assurance, type examination or design examination, or a combination of these. Notification is the process where the Member State informs the Commission that a body meets the designated requirements, such as knowledge, experience, independence or resources to conduct the conformity assessments. The Commission then publishes the names of the NBs in the Official Journal.

NGMTS – WTO Negotiating Group on Maritime Transport Services. Group that conducted negotiations on "basic telecommunications services", concluded them in February 1997

NGO - Non-Governmental Organisation

NIP - National Indicative Programme

No undercut policy - No undercut policy is a policy aiming at ensuring that members of export control regimes strive to respect denials on exports on dual use items made by other partners and do not circumvent them.

Non-application - Where one WTO member does not extend the benefits of the agreement to another member, either wholly (global non-application), or for a specified aspect (partial, or selective non-application). WTO only provides for global non-application of the WTO Treaty at the time of signature of the WTO agreement itself, or when a country accedes to WTO.

Non-public (private) network — Any network used to communicate within an organisation (as distinct from providing service to the public) or to supply such communications to organisations, based on a configuration of own or leased facilities. The term includes networks used by private companies, state enterprises, or government entities.

Non-tariff barriers – see **NTB**

Non-tariff measures – see **NTM**

Non-trade concern – see **NTC**

North American Free Trade Agreement - A regional trade pact among the United States, Canada, and Mexico.

Notification - A WTO member must notify the WTO Council for Trade in Services of new laws, and changes to existing measures, where specific commitments have been made; another country can allege that changes have been made and take it up in the WTO.

Notified Body - see **NB**

NPRPPM - Non-product Related Process and Production Method

NRTL - Nationally Recognized Testing Laboratory (USA)

NSG – The nuclear suppliers' group (NDG) is in charge of export controls of dual use nuclear items.

NT – "National treatment" is the principle of giving products or service suppliers of other WTO members the same treatment as to national products or service suppliers. For goods, this obligation is guaranteed under Article III of the GATT 1994 that requires that imports be treated no less favourably than domestically-produced goods once they have passed customs. For services, this treatment is defined by article XVII of the GATS but is subject to negotiation: WTO members grant it under their schedule of commitments.

NTB – Non-tariff barriers are trade issues such as technical, bureaucratic or legal questions, which can result in impediments to trade.

NTC – Non-trade concern are issues that go beyond the pure trade concerns – such as environment, social values, etc. Example: in the World trade organisation, the EU is promoting non-trade concerns in the field of agriculture...

NTM – Many non-tariff measures (NTM) are used for legitimate policy reasons, and are allowed under WTO Agreements, subject to rules and disciplines to ensure that they do not unduly inhibit trade. Other NTMs may have been put into place mainly or partly to limit imports. NTMs refer primarily to policies that:

- Directly restrict or prohibit imports (for example, through quotas, import licensing systems, sanitary regulations, prohibitions, quantitative restrictions, or non-automatic import licenses);
- Impose variable levies, surcharges or discriminatory taxes on imports;
- Require prior import deposits;
- Restrain exports.

Although NTMs can have a major impact on trade, it is not always easy to identify them or be certain of their purpose.

Nuclear suppliers' group – see **NSG**

Nuisance tariff - Tariff so low that it costs the government more to collect it than the revenue it generates.

O

OCT – The 20 Overseas Countries and Territories (OCTs) are countries that have a special relationship with one of the Member States of the EU. The 1957 Treaty of Rome, provides for the associate status of these countries or territories and this association provided the bases for the future EU development policy.

ODA – Official Development Assistance

OECD – The Organisation for Economic Co-operation and Development (OECD) groups 30 states that share a commitment to democratic government and the market economy. The core of original European and North American members has expanded to include Japan, Australia, New Zealand, Finland, Mexico, Korea and four former communist states in Europe: the Czech Republic, Hungary, Poland and the Slovak Republic. Non-members are invited to subscribe to OECD agreements and treaties, and the organisation now involves in its work some 70 non-member countries from Brazil, China and Russia to least developed countries in Africa and elsewhere.

Off cover - Suspension of facilities for cover for a specific country.

Offer - A country's proposal for further liberalisation.

Official support - Involvement of government backed support in the form of direct credits/financing, refinancing, interest-rate support (where the government supports a fixed interest-rate for the life of the credit), aid financing (credits and grants), export credit insurance and guarantees.

OIC – The Organisation for the Islamic Conference is an intergovernmental organisation, established in 1969, gathering 56 Islamic States to promote Muslim solidarity in economic, social, and political affairs.

OJ - Official Journal (of the European Union)

OMA – Orderly marketing arrangements (OMAs) are bilateral arrangements whereby an exporting country (government or industry) agrees to reduce or restrict exports without the importing country having to make use of quotas, tariffs or other import controls.

Orderly marketing arrangement – see **OMA**

Organisation for Economic Co-operation and Development – see **OECD**

Organisation for the Islamic Conference – see **OIC**

OSHA - Occupational Safety and Health Administration (USA)

Overseas countries and territories – see **OCT**

P

Panel – In the WTO Dispute Settlement Mechanism, panels consist of three experts who examine and issue recommendations on a particular dispute in the light of WTO provisions.

Paris Convention - Treaty, administered by WIPO, for the protection of industrial intellectual property, i.e. patents, utility models, industrial designs, etc.

Patent - A government grant that gives inventors exclusive right of making, using, or selling the invention.

PCA - Partnership and Cooperation Agreement

Peace clause – Until the end of 2003, Article 13 of the URAA (the so-called "peace clause") protects domestic support measures (including measures classified in the green and blue boxes) as well as export subsidies from certain WTO dispute settlement actions.

PECA - Protocol to the Europe Agreement on Conformity Assessment and Acceptance of Industrial Products

Piracy - Unauthorised copying of copyright materials for commercial purposes and unauthorised commercial dealing in copied materials.

PPM - Process and production method

Precautionary Principle – A decision tool which may be used in the management of risk. In January 2000, the Commission adopted a communication on the precautionary principle where it is restated that the Community, like all other WTO members, has the right to establish the level of protection that it deems appropriate. The precautionary principle covers cases where scientific evidence is insufficient, inconclusive or uncertain and preliminary scientific evaluation indicates that there are reasonable grounds for concern that the potentially dangerous effects on the environment, human, animal or plant health may be inconsistent with level of protection chosen by particular country.

Preferential Trading Area – see **PTA**

Preshipment inspection – see **PSI**

Presidency of the Union - Each Member State holds the Presidency of the Union in turn on a six-monthly basis.

Price undertaking - Undertaking by an exporter to raise the export price of the product to avoid the possibility of an anti-dumping duty.

Product-mandating - Requirement that the investor export to certain countries or region.

Project finance - Financing on the basis that the cash flow of the project is sufficient to repay the loan.

Protocols - Additional agreements attached to the GATS. The Second Protocol deals with the 1995 commitments on financial services. The Third Protocol deals with movement of natural persons.

PRSP - Poverty Reduction Strategy Plan

Prudence / prudential - In financial services, terms used to describe an objective of market regulation by authorities to protect investors and depositors, to avoid instability or crises.

PSI – Preshipment inspection: The practice of employing specialised private companies to check shipment details of goods ordered overseas, such as price, quantity, quality.

PTA – The Preferential Trading Area (for Eastern and Southern Africa) is a Treaty signed in December 1981 as a first step towards higher forms of regional economic co-operation and integration to bring about sustainable growth and development of Member States. The Treaty came into force in September 1992 following ratification by nine Member States.

PTNS – "Public Telecommunications Transport Networks and Services" : Concept defined in the GATS (under its Annex on telecommunications services) to define services "required explicitly or in effect to be provided to the public generally". This notion was introduced to allow any service supplier (e.g. a bank or a news agency) using the PTTNS to have access to it and use it under reasonable terms, so that telecom monopolies in some WTO members would not be used to prevent the supply of services.

Public debtor - Entity representing the public authority and which normally cannot, either judicially or administratively, be declared insolvent.

Public Telecommunications Transport Networks and Services – see **PTNS**

Purchase abroad - In financial services, for those countries applying the specific provisions contained in an "Understanding" on specific commitments attached to the WTO agreement, purchase abroad replaces the concept of consumption abroad as a mode of delivery of a service.

Pure cover - Official support by way of guarantee or insurance only.

Q

QRs – Quantitative restrictions are specific numerical limit on the quantity or value of goods that can be imported (or exported) during a specific time period.

Quad – Group of four countries: Canada, EU, Japan and the US.

Quantitative restriction – see **QR**

QUINT - EU, USA, Japan, Canada and Australia (for Agriculture). The Quint Agriculture Ministerial Meeting is a gathering of the agriculture ministers of Japan, the U.S., the E.U., Canada and Australia to exchange frank views on various issues concerning agriculture and agricultural polices. Four meetings have been held previously.

Quota - The quantity of goods of a specific kind that a country permits to be imported without restriction or imposition of additional duties.

R

Reciprocity - The exchange of exactly similar concessions (known as direct or sectoral reciprocity).

Regional Indicative Programme - see **RIP**

Regional Integration - A means to foster integration into the world economy, starting from a regional level.

Regional Integration Facilitation Forum – see **RIFF**

Regional Negotiation Machinery – see RNM

Regional Trade agreements – see RTA

REPA - Regional Economic Partnership Agreement (to be negotiated by ACP countries in the context of the Cotonou Agreement) [see **EPA**]

RIFF – The Regional Integration Facilitation Forum is a forum involving 14 countries in COMESA, SADC and the Indian Ocean islands. Uganda is one of the participating countries. RIFF aims at facilitating increased intra-regional economic linkages.

RII - Regional Integration Initiatives

Rio Group – This Group, established in 1986, acts as a political consultation mechanism and deals with subjects of common interest for Latin America and the Caribbean. Members in 2002: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela + the Dominican Republic + one country representing all the other Caribbean countries: Guyana.

RIP – The Regional indicative programme (RIP) reflects the programme priorities, which are relevant for the region as a whole. The RIP accounts for approximately 12% of the MEDA global financial reference. The rolling three-year RIP is based on the Regional Co-operation Strategy Paper covering the period 2000-2006 as defined under the MEDA Regulation.

RNM - The Regional Negotiation Machinery (RNM) was created by CARICOM Governments to develop and execute an overall negotiating strategy for various trade-related negotiations in which the region is involved.

Rollback - Repeal or phasing out of trade restrictive and discriminatory measures. Specific commitments can schedule time limits for the future rollback or elimination of measures.

Rome Convention - Treaty, administered by WIPO, UNESCO and ILO, for the protection of the works of performers, broadcasting organisations and producers of phonograms.

Round - Multilateral trade negotiations under the auspices of the WTO.

RTA – Regional Trade agreements are trade agreements among countries from the same geographical region.

Rules of origin - Laws, regulations and administrative procedures which determine a product's country of origin, i.e. in what country a good will be considered as actually made for tariff and other trade purposes. These rules can vary from country to country.

Rural Development – A policy approach that seeks to maintain the vitality of the countryside through a balanced development of rural areas. Agriculture has an important role to play, particularly regarding the landscape and employment.

S ▲

SAA - Stabilisation and Association Agreements - these are the agreements which are progressively being negotiated with the Western Balkan countries. They provide for wide ranging provisions on political dialogue, numerous areas for co-operation, gradual approximation to the EU acquis and the creation of a free trade area with the EU on goods and services.

S&D - "Special and differential treatment" provisions for developing countries; contained in several WTO agreements.

SAARC – The South Asian Association for Regional Co-operation includes all the South Asian countries. It has not yet requested regional cumulation either.

SACU - Southern African Customs Union comprising Botswana, Lesotho, Namibia, South Africa and Swaziland.

SADC – Established in April 1980 by Governments of the nine Southern African countries of Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe, the Southern

African Development Community (SADC) has for main objectives:

- Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
- Evolve common political values, systems and institutions;
- Promote and defend peace and security.

Safeguard measures – see **SG**

Sanitary and Phytosanitary regulations – see **SPS**

Schedule – One calls 'Schedule of Specific Commitments' a WTO member's list of commitments regarding market access and bindings regarding national treatment.

Schedule of concessions - List of bound tariff rates

SCM - Subsidies and Countervailing Measures

SCO – "Shanghai Co-operation Organisation" : Renamed in June 2001 after the adhesion of Uzbekistan to the previous 'Shanghai 5' between Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan, it is aimed at solving border problems and, now, at fighting against terrorism and extremism.

SDT – The Special and differential treatment (SDT) is a special provision of the WTO Agreements which give developing countries special rights. The SDTs authorise developed countries the possibility to treat developing countries more favourably than other WTO Members.

SG – Safeguards (SG) are actions taken to protect a specific industry from an unexpected rise of imports. It is governed by Article XIX of the GATT 1994.

SGEI - Services of general economic interest

Shanghai Co-operation Organisation – see **SCO**

Shared competencies - Article 133 spells out areas where competencies are shared between the EC and Member states, namely in the areas relating to trade in cultural and audiovisual services, educational services, and social and human health services, investment. Agreements thus negotiated shall be concluded jointly by the Community and the Member States.

SIA – The Sustainability Impact Assessment is a methodology for examining the potential effects on sustainable development of the European proposals for the WTO new round agenda and of bilateral trade initiatives. These studies are carried out by external consultants with the main aim of identifying the economic, environmental and social impacts of the agreements under negotiation. They also propose flanking measures to mitigate the adverse effects and amplify the benefits of any agreement.

SIGL – "Système Intégré de Gestion de Licenses" : French for "system for the managing of licences for textile, clothing and steel".

SLG - Senior Level Group

SMEs – Small and medium enterprises

Social dialogue - Social dialogue is the term used to describe a joint consultation procedure involving the social partners at European level (UNICE, CEEP, ESC). It involves discussion, joint action and sometimes negotiations between the European social partners, and discussions between the social partners and the EU institutions.

Soft ban - Ban of tied aid for Central and Eastern European Countries (CEEC) concluded 1991, later extended to the Commonwealth of Independent States (CIS) (with the exception of countries which fulfil the country eligibility for tied aid and are recognised by the DAC as developing countries (in contrast to countries in transition).

Soft loan – Loan with concessional terms and conditions.

SOMTI - The ASEM Senior Officials Meeting on Trade & Investment, a forum for dialogue which takes place through annual meetings (see **ASEM**).

Southern African Development Community – see **SADC**

Special and Differential Treatment - see **SDT**

Special Safeguard Clause – see **SSC**

Specific commitments - Negotiated commitments on market access and national treatment by countries in their national schedules.

SPS – Sanitary and Phytosanitary regulations are aimed at protecting human, animal and plant life and health, and helping to ensure that food is safe for consumption.

SSA - Sub-Saharan Africa

SSC – The Special Safeguard Clause is implemented in developing countries in order for them to ensure food security.

Stabilisation and Association Agreements - see **SAA**

Standstill - Commitment not to adopt or enforce any measure that would be more trade restrictive or discriminatory than existing ones. Also used where Members agree not to introduce new trade-restricting measures during negotiations.

State trading enterprises – see **STE**

STE – State trading enterprises are defined as governmental and non-governmental enterprises, including marketing boards, which deal with goods for export and/or import. Article XVII of the GATT 1994 provision deals with state trading enterprises and their operations.

Submission - A country's proposal for further liberalisation.

Subsidy - There are two general types of subsidies: export and domestic.

Supplier credit – Credit extended by an exporter to a buyer in a third country.

Surveillance - The monitoring of Members' compliance with their obligations.

Sustainability Impact Assessment – see **SIA**

Sustainable Development – The concept of sustainable development refers to a form of economic growth, which satisfies society's needs in terms of well-being in the short, medium and - above all - long terms. It is founded on the assumption that development must enable us to meet today's needs without jeopardising the ability of future generations to meet their needs. It involves both the industrialised and the developing nations, and it has economic, environmental and social aspects. In practical terms, it means creating the conditions for long-term economic development with due respect for the environment. The Treaty of Amsterdam wrote an explicit reference to sustainable development into the recitals of the EU Treaty.

Sustainable trade policy – This policy promotes the shared goal of sustainable development through liberalising trade in the interests of growth while guaranteeing social development and the preservation of environmental resources and social structures.

Swing - When an exporting country transfers part of a quota from one product to another restrained product.

Swiss Formula - is a special kind of harmonizing method. It uses a single mathematical formula to produce (1) a narrow range of final tariff rates from a wide set of initial tariffs and (2) a maximum final rate, no matter how high the original tariff was. Usually the required cuts are then divided into equal annual steps. The formula was proposed by Switzerland in the 1973–79 Tokyo Round negotiations. A key feature is a number, which is negotiated and plugged into the formula. It is known as a **"coefficient"** ("A" in the formula below). This also determines the maximum final tariff rate.

The formula: **Z = AX/(A+X)**

where:
X = initial tariff rate
A = coefficient and maximum final tariff rate
Z = resulting lower tariff rate (end of period)

(from Walter Goode: "Dictionary of Trade Policy Terms", Centre for International Economic Studies, University of Adelaide)

T

Tariff binding - Commitment not to increase a rate of duty beyond an agreed level. Once a rate of duty is bound, it may not be raised without compensating the affected parties.

Tariff escalation - Higher import duties on semi-processed products than on raw materials, and higher still on finished products. This practice protects domestic processing industries and discourages the development of processing activity in the countries where raw materials originate.

Tariff peaks - Relatively high tariffs, usually on "sensitive" products, amidst generally low tariff levels. For industrialised countries, tariffs of 15 % and above are generally recognised as "tariff peaks".

Tariffication - Procedures relating to the agricultural market-access provision in which all non-tariff measures are converted into tariffs.

Tariffs - Customs duties on merchandise imports. Levied either on an ad valorem basis (percentage of value) or on a specific basis (e.g. $7 per 100 kgs). Tariffs give price advantage to locally produced goods and raise revenues for the government. Tariffs are allowed to protect domestic industries. However, they are reduced through negotiations between countries in the WTO and then they are “consolidated”. This means that they cannot be increased again unless the principally affected exporting countries, which negotiated the concession, are compensated by concessions on other products (Article XXVIII GATT). Tariffs have been reduced in the previous eight trade Rounds, as a result of which the EU average industrial tariff is now about 3%, down from 35% in 1947.

TBR – The Trade Barriers Regulation is a mechanism for Community firms and industries to act against trade barriers affecting their access to third country markets or the EC market, by requesting the Commission to investigate complaints and to seek redress - whether by negotiated bilateral agreement, dispute settlement at the WTO, or retaliatory measures. Came into effect on 1 January 1995 (COUNCIL REGULATION (EC) No 3286/94 of 22 December 1994).

TBT – The technical barriers to trade (TBT) are related to product standards and conformance. The aim of the WTO Agreement on Technical Barriers to Trade (TBT Agreement) is to ensure that 1) mandatory technical regulations, 2) voluntary standards and 3) procedures for assessing conformity with technical regulations and standards do not generate avoidable obstacles.

TDCA – The Trade and Development Co-operation Agreement is a bilateral agreement between the EU and South Africa. This agreement implies large political and economic implications for the entire Southern Africa region because of the common external tariff the BLNS countries (Botswana, Lesotho, Namibia, and Swaziland) share with South Africa, through the Southern African Customs Union (SACU): the agreement will oblige them to enter into a de facto free-trade agreement with the EU. South Africa is also a member of the 14-nation SADC, so the agreement has broader significance for other countries in Southern Africa. This raises fears that many sectors across the region will become vulnerable to intense competition from European producers.

TDI – The Trade Defence Instruments (TDI) may be used by countries, in accordance with a WTO agreement, to challenge the import of goods where they are seen to be unfair foreign competition.

Technical barrier to trade – see **TBT**

Telecommunications - Defined by the GATS as "the transmission of electromagnetic signals". The definition in the EU telecom regulatory framework is similar.

Telecommunications (in the EU) - With the prospect of the internal market being completed, telecommunications liberalisation emerged as a priority for the European Union. A Commission communication defined the concept of universal service, detailing the provision and quality of the service, the charging principles and the dispute settlement procedures. The general liberalisation of telecommunications structures was pushed forward from this time to allow multimedia development.

TF - Trade Facilitation

TGP - Transparency in Government Procurement

TIEA - Trade and Investment Enhancement Agreement

Tied aid - Aid tied to the procurement of goods and/or services from the donor country.

TK – "Traditional knowledge" (TK) refers to tradition-based literary, artistic or scientific works; performances; inventions; scientific discoveries; designs; marks, names and symbols; undisclosed information; and all other tradition-based innovations and creations resulting from intellectual activity in the industrial, scientific, literary or artistic fields. (WIPO)

TMB - Textiles Monitoring Body

TNC – WTO Trade Negotiations Committee

TPRB – The Trade Policy Review Body is a subsidiary body of the General Council was created by the Marrakech Agreement establishing the WTO to administer the Trade Policy Review Mechanism (TPRM).

TPRM – The Trade Policy Review Mechanism examines national Trade Policies of WTO members on a schedule designed to cover all WTO Members on a frequency determined by trade volume.

Trade and Development Co-operation Agreement – see **TDCA**

Trade-balancing measure – In investment, this measure requires the investor to use earnings from exports to pay for imports.

Trade Barriers Regulation – see **TBR**

Trade Defence Instruments – see **TDI**

Trade Policy Review Body – see **TPRB**

Trade Policy Review Mechanism – see **TPRM**

Trade-Related Aspects of Intellectual Property Rights – see **TRIPS**

Trade-Related Investment Measures – see **TRIMS**

Trade-Related Technical Assistance – see **TRTA**

Traditional knowledge – see **TK**

Tradition-based - "Tradition-based" refers to knowledge systems, creations, innovations and cultural expressions which have generally been transmitted from generation to generation; are generally regarded as pertaining to a particular people or its territory; and, are constantly evolving in response to a changing environment. (WIPO)

Transparency - A key principle of the WTO : All rules and laws affecting trade must be made public before they enter into force. This ensures predictability in trade policies and practices.

TREATI – Trans Regional EU-ASEAN Trade Initiative

TRIMs – The Agreement on Trade Related Investment Measures (TRIMs) applies to any measure that discriminates against foreigners or foreign products. Like the GATT, it applies only to measures that affect trade in goods.

TRIPS – Trade-Related Aspects of Intellectual Property Rights (TRIPs): The WTO Agreement on the TRIPS requires all WTO Members to respect a comprehensive set of minimum standards of protection for intellectual property rights. It sets minimum standards of intellectual property protection within WTO Members and ensures that states make available to rights holders judicial and/or administrative procedures to enforce their IPRs. It also covers their enforcement.

TRM - Transitional review mechanism

Troika - The "Troika" consists of the Member State that currently holds the Presidency of the Council, the Member State which will hold it for the next six months and the Commission.

TRQ – Tariff Rate Quota

TRTA – The trade-related technical assistance (TRTA) is provided by development aid donors to support the trade capacity building efforts of developing countries. Many developing countries need assistance to enhance their capacity to make use of the trading opportunities offered by improved market access and multilateral trade liberalisation in general. Trade-related technical assistance is a key element in building capacity in developing countries, so that they can take advantage of the opportunities available.[see **Global Trust Fund**]

TSB - Textiles Surveillance Body

U

UNCITRAL – The United Nations Centre for International Trade Law (UNCITRAL) drafts model laws such as the one on government procurement.

UNCTAD – The United Nations Conference on Trade and Development meets at ministerial level every four years. The Special Committee on Preferences was set up by UNCTAD in 1968 for the purpose of monitoring the application of the system of generalised preferences. The Committee met annually until its dissolution in 1996. The next UNCTAD, the tenth to date, will take place in Bangkok in February 2000.

UNDP - United Nations Development Programme

UNEP - United Nations Environment Programme

UNIDO - United Nations Industrial Development Organisation

United Nations Centre for International Trade Law – see **UNCITRAL**

United Nations Conference on Trade and Development – see **UNCTAD**

Universal service – This concept, developed by the Community institutions, refers to the set of general interest demands to which services such as telecommunications and the mail should be subject throughout the Community. The aim is to ensure that all users have access to quality services at an affordable price. GATS and free trade negotiations do not address the substance of universal service mechanisms.

Untied aid - Refers to soft loans or grants, which are freely and fully available to finance procurement from substantially all countries.

UPOV - International Union for the Protection of New Varieties of Plants

Uruguay Round – The Uruguay Round of world trade negotiations (1986-1993) established the World Trade Organisation as the successor to the GATT in 1995 and greatly increased the scope and depth of world trade rules. New features of the trading system include coverage of the services sector and rules to protect intellectual property rights, as well as the establishment of a binding dispute settlement system.

V ▲

VER – see **Voluntary export restraint**

Violation - A measure that is not consistent with the GATS or a Member's obligations.

Voluntary export restraint - Bilateral arrangements whereby an exporting country (government or industry) agrees to reduce or restrict exports without the importing country having to make use of quotas, tariffs or other import controls.

Voluntary restraint arrangement – see **VRA**

VRA – voluntary restraint arrangements (VRA) are bilateral arrangements whereby an exporting country (government or industry) agrees to reduce or restrict exports without the importing country having to make use of quotas, tariffs or other import controls.

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WAEMU - Established in 1994, the West African Economic and Monetary Union (WAEMU) has for objective to develop a competitive common market based on the free flow of persons, goods, services, and capital. Members share a common currency, the CFA Franc (pegged to the EURO), with a regional central bank in Dakar and a regional development bank in Lomé. WAEMU members have implemented macroeconomic convergence criteria and an effective surveillance mechanism, they have adopted a customs union and common external tariff and have harmonised indirect taxation regulations. They have also initiated regional structural and sectoral policies.

Waiting period – As regards exports credits, this is the period of time set between the point in time when the covered risk materialises and the earliest point in time when indemnification of a claim can take place.

Waiver - Permission granted by WTO members allowing a WTO member not to comply with normal commitments. Waivers have time limits and extensions have to be justified.

Washington Treaty - Treaty for the protection of intellectual property in respect of layout designs of integrated circuits.

Wassenaar arrangement - A regime of export controls of arms and dual use items.

WB – The World Bank is an international organisation created in Bretton Woods in 1944 in order to help in the reconstruction and development of its member nations. It is one of the world's largest sources of development assistance.

WCO – The World Customs Organisation is a multilateral body, located in Brussels, which allows participating countries to seek to simplify and rationalise customs procedures.

West African Economic and Monetary Union – see **WAEMU**

WGTCB – WTO Working Group on Trade and Competition

WGTGP – Working Group on Transparency and Government Procurement: Drawing largely on proposals made by United States, Ministers agreed at the 1996 Singapore Ministerial Conference to establish a WTO Working Group on Transparency in Government Procurement. The Working Group's mandate called for:

- Conducting a study on transparency in government procurement
- Developing elements for an appropriate WTO agreement on transparency in government procurement.

WGTI - Working Group on Trade and Investment

WHO – The World Health Organisation is a United Nations specialised agency concerned with health matters.

WIPO – The World Intellectual Property Organisation is a United Nations specialised agency dealing with the protection of literary, artistic, and scientific works.

Working Group on Transparency and Government Procurement – see **WGTGP**

Working Party on Domestic Regulation – see **WPDR**

Working Party on GATS Rules – see **WPGR**

World Bank – see **WB**

World Trade organisation – see **WTO**

World Customs Organisation – see **WCO**

World Health Organisation - see **WHO**

World Intellectual Property Organisation – see **WIPO**

WPDR – The Working Party on Domestic Regulation (WPDR), in accordance with GATS Article VI.4, calls on the Working Party to develop any necessary disciplines to ensure that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services. Members also have an understanding that domestic regulation disciplines should take account of, and build on, the transparency provisions of Article III of the GATS.

WPGR – The Working Party on GATS Rules was established to conduct the negotiations on the question of emergency safeguard measures, on government procurement and on subsidies, pursuant to the mandates of GATS Articles X, XIII and XV.

WSSD – World Summit on Sustainable Development. In Johannesburg, South Africa, in 2002.

WTO – Established on 1 January 1995, the World Trade Organisation (WTO) is the core of the international rules-based system for world trade. It provides a forum for multilateral negotiations on trade, together with a rulebook and mechanisms for implementation and compliance, including a dispute settlement procedure. As the world economy globalises, the WTO is the most legitimate forum for removing obstacles to trade, creating and enforcing global rules and making them compatible with rules drawn up by other multilateral bodies. The aims of the EU's co-operation with it are:

- to open markets in goods, services and investment according to clear rules and a timetable that enables all countries to implement them,
- to make the WTO more open, accountable and more effective by engaging in discussion with outside constituencies and other organisations,
- to bring developing countries fully into the WTO's decision-taking processes, helping them to integrate with the world economy.

The WTO was set up in 1995, but the multilateral trading system on which it is based is far older. Eight separate rounds of international negotiations under the General Agreement on Tariffs and Trade (GATT) have progressively abolished tariffs and other trade barriers over the past 50 years. The WTO now has 144 members, and it is the only international body policing trade in goods, services and intellectual property rights among its members. Agreements are negotiated by governments whose aim is to ensure there is a comprehensible, reliable framework for importers and exporters world-wide, enabling them to operate in the certainty there will be no sudden, unpredictable changes in policy. The more members there are, the more effective the WTO's rules are likely to be. That is why the EU actively encouraged China to join, and is now helping Russia and a number of other countries to prepare for WTO entry. The dispute settlement system is one of the cornerstones of the WTO.

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