

## GLOSSARY OF TRADE AND RELATED TERMS

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Beggar-Thy-Neighbor Policy	A course of action through which a country tries to reduce unemployment and increase domestic output by raising tariffs and instituting non-tariff barriers that impede imports, or by accomplishing the same objective through competitive devaluation. Countries that pursued such policies in the early 1930s found that other countries retaliated by raising their own barriers against imports, which, by reducing export markets, tended to worsen the economic difficulties that precipitated the initial protectionist action. The Smoot-Hawley Tariff Act of 1930 is often cited as a conspicuous example of this approach.
Berne Convention	International agreement providing for national treatment in the protection of intellectual property. Together with the Paris Convention, provides the basis for the multilateral intellectual property regime administered by WIPO.
BIAC	Business and Industry Advisory Council to the OECD.
Bilateral Trade Agreement	A formal or informal agreement involving commerce between two countries. Such agreements sometimes list the quantities of specific goods that may be exchanged between participating countries within a given period.
Binding	Concept of agreeing to maintain a particular tariff level or other trade restriction (i.e., binding it against increase or change). In trade negotiations, binding a tariff is considered equivalent to a significant reduction in the level. The industrialized countries have virtually bound all their tariffs on industrial products in seven rounds of GATT negotiations.
Binding Arbitration	Concept in dispute settlement where the parties to the dispute agree at the outset to abide by the results of dispute settlement procedures.
Border Tax Adjustments	The remission of taxes on exported goods, including sales taxes and value-added taxes, designed to ensure that national tax systems do not impede exports. The GATT permits such adjustments on exports for indirect taxes on the condition that these are passed on to consumers, but not for direct taxes (e.g. income taxes assessed on producing firms).
Bounties or Grants	Payments by governments to producers of goods, often to strengthen their competitive position. See also subsidies.