



EFTA: European Free Trade Association. When founded in May 1960, there were 7 members. In 1995, there were four (Iceland, Norway, Switzerland and Liechtenstein) as others joined the European Union.

Expropriation: The seizure of private property by a foreign government without just or reasonable compensation.

Foreign Direct Investment: The funds committed to a foreign enterprise. The investor may gain partial or total control of the enterprise. An investor who buys 10% or more of the controlling shares of a foreign enterprise makes a direct investment.

FTA: Free Trade Agreement. In particular, the Canada-U.S. Free Trade Agreement that entered into force on January 1, 1989.

FTAA: Free Trade Area of the Americas. Proposed agreement between 34 countries of the Western Hemisphere to create a Free Trade Area by 2005, launched in Miami in December 1994.

GATS: General Agreement on Trade in Services. The first set of multilaterally-agreed and legally-enforceable rules and disciplines ever negotiated to cover international trade in services.

GATT: General Agreement on Tariffs and Trade. Since 1947, the multilateral institution overseeing the global trading system. Superseded by the WTO in January 1995.

GDP: Gross Domestic Product. The total value of goods and services produced by a country.

Intellectual Property: A collective term used to refer to new ideas, inventions, designs, writings, films, etc. and protected by copyright, patents, trademarks, etc.

ITA: Information Technology Agreement. A WTO-based agreement endorsed by several members that calls for the gradual elimination of most-favoured-nation tariffs on many information technology products.

Joint Canada-EU Action Plan: Signed on December 17, 1996, the Action Plan is designed to strengthen Canada-EU relations and consists of four parts: Economic and Trade Relations, Foreign Policy and Security Issues, Transnational Issues, and Fostering Links.

Liberalization: Reductions in tariff and other measures that restrict world trade, unilaterally, bilaterally or multilaterally. Trade liberalization has been the objective of all GATT/WTO trade negotiations as well as of the FTA and NAFTA negotiations.

MFN: Most-favoured-nation treatment (Article I of the GATT 1994) requiring countries not to discriminate between goods on the basis of country of origin or destination.

Multilateral Agreement on Investment (MAI) Negotiations: Launched in May 1995 by the member countries of the OECD. Scheduled to conclude May 1997.

NAFTA: North American Free Trade Agreement, involving Canada, the United States and Mexico, the negotiation of which started in June of 1991. Came into force January 1994.

Non-Tariff Barriers (Measures): Government measures or policies other than tariffs which restrict or distort international trade. Examples include import quotas, discriminatory government procurement practices, measures to protect intellectual property. Such measures have become relatively more conspicuous impediments to trade as tariffs have been reduced during the period since World War II.

OECD: Organization for Economic Co-operation and Development. Paris-based organization of industrialized countries responsible for study of and co-operation on broad range of economic, trade, scientific and educational issues.