

GLOSSARY OF TRADE AND RELATED TERMS

Mercantilism	A prominent economic philosophy in the 16th and 17th centuries that equated the accumulation and possession of gold and other international monetary assets, such as foreign currency reserves, with national wealth. Although this point of view is generally discredited among 20th century economists and trade policy experts, some contemporary politicians still favour policies designed to create trade "surpluses", such as import substitution and tariff protection for domestic industries, as essential to national economic strength.
MFA	See Multi-Fiber Arrangement regarding International Trade in Textiles.
MFN	See Most-Favoured-Nation Treatment.
Mixed Credits	Exceptionally liberal financing terms for an export sale, ostensibly provided for a foreign aid purpose.
Most-Favoured-Nation Treatment (MFN)	A commitment that a country will extend to another country the lowest tariff rates it applies to any third country. The MFN principle has provided the foundation of the world trading system since the end of World War II. All Contracting Parties to GATT apply MFN treatment to one another under Article I of GATT. Exceptions to this basic rule are allowed in the formation of regional trading arrangements, provided certain strict criteria are met. See also National treatment.
MTN	See Multilateral Trade Negotiations.