

## GLOSSARY OF TRADE AND RELATED TERMS

---

Import Substitution	An attempt by a country to reduce imports (and hence foreign exchange expenditures) by encouraging the development of domestic industries.
Import Quota	See Quantitative Restriction.
Industrial Policy	Governmental actions affecting, or seeking to affect, the sectoral composition of the economy by influencing the development of particular industries.
Industrial targeting	The selection by a national government, of industries important to the next stage of the nation's economy, and encouragement of their development through explicit policy measures. A frequent goal of such targeting is competitiveness in export markets.
Infant Industry Argument	The view that "temporary protection" for a new industry or firm in a particular country through tariff and non-tariff barriers to imports can help it to become established and eventually competitive in world markets. Historically, new industries that are soundly based and efficiently operated have experienced declining costs as output expands and production experience is acquired. However, industries that have been established and operated with heavy dependence on direct or indirect government subsidies have sometimes found it difficult to relinquish that support. The rationale underlying the Generalized System of Preferences is comparable to that of the infant industry argument.
Injury	The term used in international commerce to describe the effect on domestic producers of a decline in output, lost sales, decline in market share, reduced profits and return on investment, reduced capacity utilization, etc., as a result of import competition. A distinction is often made between serious injury (required for emergency safeguard measures) and material injury (required for anti-dumping and countervailing duties).
Injury	The requirement, under GATT, that an industry seeking trade relief establish that it has been hurt by foreign competition. In the United States, a finding of injury has always been required for escape clause relief, and since 1979 for the bulk of CVD and anti-dumping cases as well.
Intellectual Property	A collective term used to refer to new ideas, inventions, designs, writings, films, etc. and protected by copyright, patents, trademarks, etc.
International Joint Commission	Bilateral Canada-US body responsible for investigating complaints of water pollution and recommending remedial action. It is often cited as model for dispute resolution in the trade area.