

GLOSSARY OF TRADE AND RELATED TERMS

Subsidies Code	A code of conduct negotiated under the auspices of GATT during the Tokyo Round of the MTN that expanded on Article VI by establishing both substantive and procedural standards for national countervailing duty proceedings as well as developing obligations under Articles XVI and XXIII regarding notification and dispute settlement in the area of subsidy practices. (See also Code of Conduct and Subsidy).
Subsidy	An economic benefit granted by a government to producers of goods often to strengthen their competitive position. The subsidy may be direct (a cash grant) or indirect (low-interest export credits guaranteed by a government agency, for example).
Surcharge or Surtax	A tariff or tax on imports in addition to the existing tariff, often used as an emergency safeguard measure.
Tariff	A duty (or tax) levied upon goods transported from one customs area to another. Tariffs raise the prices of imported goods, thus making them less competitive within the market of the importing country. After seven Rounds of GATT negotiations that focused heavily on tariff reductions, tariffs are less important measures of protection than they used to be. The term tariff often refers to a comprehensive list or "schedule" of merchandise with the rate of duty to be paid to the government for importing products listed. The tariff rate is the rate at which imported goods are taxed.
Tariff Act 1930	An omnibus U.S. trade bill also known as the Smoot-Hawley Tariff Act which, while often amended and added to, provides the basic trade law of the United States, particularly as regards to anti-dumping and countervailing duties. Its tariff provisions raised the U.S. tariff to unprecedented levels and contributed to the Great Depression of the 1930s. Smoot-Hawley became synonymous with the beggar-thy-neighbor policies of that period.
Tariff Escalation	A situation in which tariffs on manufactured goods are relatively high, tariffs on semi-processed goods are moderate, and tariffs on raw materials are non-existent or very low. Such "escalation" which exists in the tariff schedules of most developed countries is said to discourage the development of manufacturing industries in resource rich-countries.
Tariff Schedule	A comprehensive list of the goods which a country imports and the import duties applicable to each product.