

GLOSSARY OF TRADE AND RELATED TERMS

Graduation	A concept pertaining to developing countries, whereby as they advance economically and become more developed, they assume greater responsibilities and obligations within the international trading system. This term also applies to the Generalized System of Preferences, whereby certain more advanced developing countries may be removed or "graduated" from eligibility on individual GSP eligible products.
Grandfather Clause	A GATT provision that allowed the original contracting parties to accept general GATT obligations despite the fact that some existing domestic legislation was otherwise inconsistent with GATT provisions. See Protocol of Provisional Accession and Residual Restrictions. More generally, any clause in an agreement which provides that certain existing programs, practices and policies are exempt from an obligation.
Harmonized System	See Customs Harmonization.
IBRD (World Bank)	International Bank for Reconstruction and Development, established, together with the International Monetary Fund, after the Bretton Woods Conference in 1944. Its purpose was to help countries to reconstruct their economies after the damage inflicted by the war. It is prepared to assist member countries by lending to governmental agencies or by guaranteeing private loans. Loans are usually for fifteen to twenty years and finance agricultural modernization, hydro-electric schemes, port improvements, and general programs of economic reconstruction. The funds come from the developed countries and the Bank acts as a medium-term loan agency in channeling them to the less developed countries.
IMF	International Monetary Fund, established at Bretton Woods in 1944. Its purpose was to restore and promote monetary and economic stability. Its headquarters are in Washington. All OECD and most developing countries are members.
Import Policy	Encompasses traditional government policies intended to provide a favorable economic climate for the development of industry in general or specific industrial sectors. Instruments of industrial policy may include tax incentives to promote investments or exports, direct or indirect subsidies, special financing arrangements, protection against foreign competition, worker training programs, regional development programs, assistance for research and development, and measure to help small business firms. Historically, the term industrial policy has been associated with at least some degree of centralized economic planning or indicative planning, but this connotation is not always intended by its contemporary advocates.