

GLOSSARY OF TRADE AND RELATED TERMS

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| End-use Tariff Item | Tariff classification where the rate of duty depends upon the use to which the imported product is put, e.g. cotton sheeting for medical use taxed at a lower rate than all other cotton sheeting. |
| Escape Clause | A provision in a bilateral or multilateral commercial agreement permitting a signatory nation to suspend tariff or other concessions when imports threaten serious harm to the producers of competitive domestic goods. GATT Article XIX sanctions such "safeguard" provisions to help firms and workers adversely affected by a relatively sudden surge of imports, adjust to the rising level of import competition. See also Safeguards. |
| Establishment | One of the basic principles which comprise national treatment for investors. Right of establishment involves providing foreign investors the right to establish new businesses on the same basis as nationals. |
| Exceptions | Provisions in a trade agreement which provide for rules to deal with special circumstances, such as import or export controls for security reasons. GATT Articles XX and XXI provide for the basic exceptions to the GATT. |
| Exchange Controls | The rationing of foreign currencies, bank drafts, and other instruments for settling international financial obligations by countries seeking to ameliorate acute balance of payments difficulties. When such measures are imposed, importers must apply for prior authorization from the government to obtain the foreign currency required to bring in designated amounts and types of goods. Since such measures have the effect of restricting imports, they are considered non-tariff barriers to trade. |
| Exchange Rate | The price (or rate) at which one currency is exchanged for another currency, for gold, or for Special Drawing Rights (SDR'S). |
| Excise Tax | A selective tax -- sometimes called a consumption tax -- on certain goods produced within or imported into a country. |
| Exemptions | Provisions which exempt particular products or situations from a general rule, e.g., in a free-trade area eliminating all tariffs, agriculture might be exempted from this provision. |