

FREE TRADE AREA

A co-operative arrangement among a group of nations which agree to remove tariff and non-tariff barriers to trade with each other, while each maintains its own policy to all other nations.

GATT

The General Agreement on Tariffs and Trade (GATT) is a multilateral treaty subscribed to by 90 countries which together account for more than 4/5 of world trade. The GATT delineates rules for international trade. This is Canada's main trade agreement with most of our principal trading partners. The primary objective of the GATT is to liberalize world trade and place it on a secure basis, thereby contributing to global economic growth and development.

GATT ARTICLE XXIV

A GATT provision permitting the formation of regional trading arrangements, including free trade areas, providing that certain criteria are met. For example, where restrictive measures are removed for "substantially" all the trade between those involved.

GOVERNMENT PROCUREMENT

The term refers to purchase of goods and services by official government agencies. As a non-tariff barrier to trade, it means imported goods are discriminated against in favour of domestic goods.