

The GATT and the NAFTA

The NAFTA, like the FTA, aims to reduce or eliminate most of the barriers to trade within the free trade area. Such free trade areas are allowed under the GATT and are consistent with the GATT's primary goal of trade liberalization. Canada's trade with non-NAFTA countries will continue to be governed by the GATT rules, and Canadian tariffs on goods imported from non-NAFTA countries will be those agreed to in the Uruguay Round.

While the Uruguay Round mirrors many of the key provisions of the FTA and the NAFTA, it also addresses some of the unfinished business of both those agreements, including rules on agricultural trade, intellectual property, definition of subsidy, and rules governing the use of dumping and countervailing duties.

If there were a trade dispute between NAFTA trading partners, and the dispute involved an alleged breach of the NAFTA, it would be resolved under the NAFTA dispute-settlement system; if it involved the country's GATT obligations, it would be resolved through the GATT system. If the dispute involved an alleged breach of both agreements, it could be resolved under either agreement, but not both.