

GLOSSARY OF TRADE AND RELATED TERMS

- Export Restraints** Quantitative restrictions imposed by exporting countries to limit exports to specified foreign markets, usually pursuant to a formal or informal agreement concluded at the request of the importing countries.
- Export Subsidies** Government payments or other financially quantifiable benefits provided to domestic producers or exporters contingent on the export of their goods or services. GATT Article XVI recognizes that subsidies in general, and especially export subsidies, distort normal commercial activities and hinder the achievement of GATT objectives. An agreement on subsidies and countervailing duties negotiated during the Tokyo Round strengthened the GATT rules on export subsidies and provided for an outright prohibition of export subsidies by developed countries for manufactured and semi-manufactured products. The agreement also established a special committee, serviced by signatories. Under certain conditions, the agreement allows developing countries to use export subsidies on manufactured and semi-manufactured products, and on primary products as well, provided that the subsidies do not result in more than an equitable share of world exports of the product for the country.
- Export Trading Company** A corporation or other business unit organized and operated principally for the purpose of exporting goods and services or of providing export related services to other companies. The Export Trading Company Act of 1982 exempts authorized trading companies from certain provisions of U.S. anti-trust laws.
- Extra-territoriality** The application of national laws, policies and practices beyond the frontier. The U.S. actively practices the extra-territorial application of its laws (e.g. in the area of anti-trust and strategic export controls through its influences over the head offices of U.S.-owned multinational enterprises).
- FAS** The term "Free Alongside Ship" refers in international trade to the point of embarkation from which the vessel or plane selected by the buyer will transport the goods. Under this system, the seller is obligated to pay the costs and assume all risks for transporting the goods from his place of business to the FAS point. In trade statistics, "FAS value" means that the import or export figures are calculated on this basis, regardless of the nature of individual transactions reflected in the statistics.