

GLOSSARY OF TRADE AND RELATED TERMS

Rules of Origin	The term for the set of measures used to differentiate between goods originating in one country from those in another for the purpose of the application of trade measures such as tariffs. For example, goods made up of components originating in various countries but which when assembled add 50 percent to their overall value may be considered to be goods originating in one country, whereas the addition of 25 percent in value would not qualify. Such rules are very important for countries which are members of a free-trade area.
Safeguards	The term, safeguards, refers to emergency actions in the form of additional duties or import quotas applied to fairly traded imports which nevertheless cause or threaten serious injury to domestic producers.
SAGIT	Sectoral Advisory Group on International Trade. Fifteen such groups have been established to provide the Canadian federal government with advice on trade negotiations from a sectoral perspective. (See also ITAC).
Section 201 (of the Trade Act of 1974)	A safeguard provision of U.S. law allowed under Article XIX of the GATT. Canada has similar legislation. (See Safeguards).
Section 301 (of the Trade Act of 1974)	Provision of U.S. law that enables the President to withdraw concessions or restrict imports from countries that discriminate against U.S. exports, subsidize their own exports to the United States, or engage in other unjustifiable or unreasonable practices that burden or discriminate against U.S. trade. Canada enacted similar legislation in the Special Imports Act of 1984.
Sectoral Reciprocity	The principle or practice of comparing the openness of national markets to imports sector by sector, and negotiating restraints sector by sector, rather than across entire economies. U.S. advocates of a sectoral reciprocity approach to trade in telecommunications or wine, for example, propose to compare the levels of U.S. and foreign barriers to imports of these products, and to equalize them, either by negotiating reductions in foreign restraints or by raising our own. A modified version of sectoral reciprocity was enacted into law as Title III of the Trade and Tariff Act of 1984.
Sectoral Trade Agreement	A trade agreement limited in its application to a particular group of related products comprising a sector. The Auto Pact is an example of a bilateral sectoral agreement and the GATT Aircraft Agreement is an example of a multilateral sectoral agreement.