

GLOSSARY OF TRADE AND RELATED TERMS

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| Structural Change | Alternations in the relative significance of the productive components of a national or international economy that take place over time. Expansion in the economy as a whole, or temporary shifts in the relationship of its components as a result of cyclical developments, would not be considered structural changes. Since the industrial revolution, structural change in most countries has resulted principally from changes in comparative advantage associated with technological advance, but also to a lesser degree from changes in consumer preference. It has involved shifts from subsistence agriculture to commercial agriculture, reduction in the percentage of the labor force engaged in agriculture, and increase in the relative significance of manufacturing, and, at a later stage, a further shift toward service industries. Other major structural changes involve shifts in the economic importance between various industries, shifts between regions of large national economies, and changes in the composition of exports and imports. See also Comparative Advantage. |
| Subsidies Code | A code of conduct negotiated under the auspices of GATT during the Tokyo Round of the MTN that expanded on Article VI by establishing both substantive and procedural standards for national countervailing duty proceedings as well as developing obligations under Articles XVI and XXIII regarding notification and dispute settlement in the area of subsidy practices. See also Code of Conduct and Subsidy. |
| Subsidy | An economic benefit granted by a government to producers of goods often to strengthen their competitive position. The subsidy may be direct (a cash grant) or indirect (low-interest export credits guaranteed by a government agency, for example). |
| Surcharge or surtax | A tariff or tax on imports in addition to the existing tariff, often used as an emergency safeguard measure. |
| Tariff | A duty (or tax) levied upon goods transported from one customs area to another. Tariffs raise the prices of imported goods, thus making them less competitive within the market of the importing country. After seven "Rounds" of GATT trade negotiations that focused heavily on tariff reductions, tariffs are less important measures of protection than they used to be. The term "tariff" often refers to a comprehensive list or "schedule" of merchandise with the rate of duty to be paid to the government for importing products listed. The tariff rate is the rate at which imported goods are taxed. |