

The NAFTA: An Overview

The Agreement and its accompanying tariff schedule is over 2 000 pages. It is divided into eight parts:

- The Preamble records the political commitment of the three governments in entering into the Agreement.
- Part One establishes the objectives and scope of the Agreement and other general provisions applicable to the Agreement as a whole, including general definitions.
- Part Two sets out the rules for trade in goods, including rules of origin, national treatment, general market access conditions and safeguards and special provisions addressed in the four sectoral chapters relating to trade in agricultural goods, energy goods, textiles and clothing and automotive products.
- Part Three deals with technical barriers to trade.
- Part Four sets out the disciplines on government procurement.
- Part Five addresses the conduct of business and contains chapters dealing with cross-border trade in services, investment, financial services, rules of competition and temporary entry.
- Part Six deals with intellectual property protection.
- Part Seven contains the institutional, dispute-settlement and transparency provisions of the Agreement.
- Part Eight consists of the final provisions dealing with annexes, entry into force, accession and duration.

Each Part is divided into chapters. Chapters are further divided into articles, which are subdivided into paragraphs and subparagraphs. For ease of reference, the articles are numbered according to the chapter in which they are found. Article 401, for example, is the first article in Chapter Four dealing with rules of origin.

A number of articles call up annexes located at the end of each chapter. Following a generic approach, the article establishes the basic obligation, whereas the annex develops how it will be implemented by each country, where such implementation in any way deviates from the basic principles or is an integral part of the Agreement. Again, for ease of reference, the annex numbers correspond to the paragraph and article establishing the annex. For example, paragraph 1 of article 401 establishes the basic rule of origin for the Agreement; annex 401 provides the detailed provisions specifying how that rule is to be applied.

Throughout the text, words that have a meaning that is critical to interpreting the text or that vary from their plain, generic meaning, are defined. The definitions are found in the final article of each chapter for words used in that chapter (for example, article 415 for rules of origin). Words that have a special or critical meaning and that are used the same way throughout the text are defined in article 201.