GLOSSARY

absolute advantage: The ability of one country compared with another to produce a good at lower cost in real resources.

African, Caribbean and Pacific (ACP) countries: Group of African, Caribbean and Pacific countries whose partnership with the EU has been defined in a series of agreements, from the Lomé Convention to the Cotonou Agreement.

ad valorem tariff: Duty (tariff or charge) calculated as a percentage of the value of the dutiable item. Contrast with *specific tariff.*

Aggregate Measure of Support: An index that measures the monetary value of government support to a sector. The Agreement on Agriculture's Aggregate Measure of Support includes direct payments to producers, input subsidies (such as for irrigation water), programmes that distort market prices to consumers (market price supports) and interest subsidies on commodity loan programmes.

Agreement on Agriculture. WTO agreement commiting member governments to improve *market access* and reduce trade-distorting *domestic support payments* and *export subsidies* in agriculture.

amber box: All domestic support measures considered to distort production and trade (with a few exceptions) fall into the amber box. These subsidies are subject to reduction under the Agreement on Agriculture.

anti-dumping duties: These duties may be imposed if export *dumping* causes injury to producers of competing products in an importing country. The duties should equal the difference between the export price and the normal value of the dumped good.

Appellate Body: The WTO body that hears appeals to the findings of dispute settlement panels.

blue box: Comprises measures regarded as exceptions to the general rule that all subsidies linked to production must be reduced or kept within defined minimal levels. Covers payments directly linked to land size or livestock as long as the activity being supported limits production.

Bretton Woods: Town in New Hampshire (US) where a 1944 conference led to the creation of the International Monetary Fund and the World Bank. These two institutions are known as the Bretton Woods institutions.

built-in agenda: Many of the accords agreed in the Uruguay Round specify future dates for continuing review or negotiations of specific sectors or subject areas—for example, in agriculture and services. Together such reviews or negotiations comprise the built-in agenda.

Cairns Group: Comprises 18 developing and industrial countries with similar, though not identical, views on agricultural liberalization: Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay.

cartelization: The formation of a group of firms that seek to raise the price of a good by restricting its supply. The term is usually used for international groups, especially involving governments or state-owned firms.

ceiling binding: Commitment by countries not to raise certain tariffs above specific or bound levels.

Codex Alimentarius: This is the 'food code', consisting of standards, codes of practice, guidelines and recommendations for producing and processing food. The Codex Alimentarius Commission is responsible for compiling the standards.

collusion: Cooperation among firms to raise prices and increase profits.

comparative advantage: The ability of one country compared with another to produce a good at lower cost relative to other goods. Under conditions of perfect competition and undistorted markets, countries tend to export goods in which they have comparative advantage.

commodity: Total primary commodities comprise total non-fuel primary commodities—the sum of agricultural primary and mineral commodities.

competition policy: Policies designed to protect and stimulate competition in markets by outlawing anticompetitive business practices such as cartels, market sharing or price fixing.

compulsory license: Authorization by a government for a government or company to make and sell a product (such as a drug) without the permission of the patent holder. Compulsory licenses are generally issued on the basis of public interest, such as for reasons of public health or defence.

Cotonou Agreement: Agreement between EU and African, Caribbean and Pacific countries signed in June 2000 in Cotonou, Benin. Replaces the Lomé Convention.

countervailing duty: Duty levied on imports of goods that have benefited from subsidies. The duty is intended to offset the effects of the subsidies.

customs union: Group of countries forming a single customs territory in which tariffs and other barriers are eliminated on most or all trade for products originating in these countries, and a common external trade policy (common external tariff) is applied to non-members.

de minimis: The level of domestic support below which subsidies are exempt from reduction commitments, quantified in monetary terms on a product-specific basis and, for sector-wide measures, a non-product-specific basis. De minimis levels are 5 per cent of the value of production for specific products (or the total value of agricultural production for non-product-specific measures) for industrial country members and 10 per cent for developing country members.

development box: Measures proposed to give developing countries the flexibility needed to enhance domestic agricultural production for home consumption and to take other measures needed to ensure food security, protect farmer livelihoods and reduce poverty.

Dispute Settlement Body: The General Council of the WTO, composed of representatives of all member countries, convenes as the Dispute Settlement Body to administer rules and procedures established in various agreements. It has the authority to establish panels, oversee implementation of rulings and recommendations and authorize suspension of concessions or other obligations under various agreements.

domestic content requirement: A requirement that goods produced in a country contain a certain proportion of domestic inputs. Same as local content requirement.

dumping: Occurs when goods are exported at a price less than their normal value, generally meaning they are exported for less than they are sold in the domestic market or third-country markets, or at less than production cost.

dumping margin: The amount by which the normal value exceeds the export price or constructed export price of the subject merchandise.

economic needs test: Requirements that need to be met in order for a non-national to obtain a work permit for a specific period to fill a particular post. To ensure that suitable nationals are given an opportunity to fill the vacancy first, a key requirement is that qualified nationals be unavailable.

effective rate of protection: Measures the protection provided to an industry through *tariffs* and other trade barriers on both inputs and outputs.

enabling clause: The 1979 decision of the GATT to give developing countries 'differential and more favorable treatment, reciprocity and fuller participation'. One of the so-called framework agreements, it enables WTO members to accord such treatment to developing countries without giving it to other contracting parties.

escape clause: Clause in a legal text allowing temporary derogation from its provisions under specified emergency conditions.

EUROMED: An agreement on bilateral, multilateral and regional cooperation signed in Barcelona, Spain, in 1995 between the 15 members of the EU and 12 Mediterranean partners.

Europe Agreement: An agreement between the EU and each of 10 Eastern European countries (starting with Hungary and Poland in 1994) creating free trade areas and establishing additional forms of political and economic cooperation in preparation for these countries' eventual membership in the EU.

Everything but Arms: The name given by the EU to the package it offered to the least developed countries in 2001, which is expected to eliminate quotas and tariffs on all of their exports—except arms.

exchange control: Restrictions imposed by a government or central bank on the holding, sale or purchase of foreign currency.

exhaustion: The legal principle that once a company has sold its product in one country, its patent is exhausted and it no longer has any rights over what happens to that product. Applies to the agreement on *Trade-Related Aspects of Intellectual Property Rights*. This agreement does not explicitly address the issue of international exhaustion of property rights, leaving individual member countries to decide whether to recognize that the right to patent is exhausted at sale.

export processing zone (EPZ): Designated area or region where firms can import duty-free as long as the imports are used as inputs into the production of exports.

export promotion: A strategy for economic development that stresses expanding exports, often through policies to assist them such as export subsidies.

externality: The action of one agent (person, firm, government) that directly affects other agents, making them better or worse off. Beneficial effects are called positive externalities; harmful ones, negative externalities.

fallacy of composition: The erroneous view that what is good for one country is necessarily good for all countries.

fast-track negotiating authority: Authority granted to the US president by Congress to negotiate trade agreements. Under fast track, Congress can accept or reject an agreement but cannot alter any negotiated agreement. Introduced in the 1974 Trade Act.

foreign direct investment (FDI): A corporation's acquisition abroad of physical assets such as plants and equipment, with operating control residing in the parent corporation outside the country where the acquisition occurs. Also includes mergers and acquisitions of corporations in one country with or by those in another country.

foreign trade zone: Area in a country where imported goods can be stored or processed without being subject to import duty. Also called a 'free zone', 'free port' or 'bonded warehouse'.

free trade area: A group of countries that adopt free trade (zero tariffs and no other trade restrictions) among themselves, without necessarily changing the trade barriers that each member has for countries outside the group.

Friends of the Chair: People selected by the conference chair to lead working groups during the November 2001 WTO ministerial conference in Doha, Qatar.

G-7: A group of seven major industrial countries—Canada, France, Germany, Italy, Japan, the UK and the US—whose heads of state have met every year since 1976 for economic and political summits.

G-8: The G-7 plus the Russian Federation, whose heads of state have met every year since 1998 for economic and political summits.

G-24: Established in 1971, a group of 24 developing countries that seeks to promote the position of developing countries on monetary and development finance issues. The only formal developing country group within the International Monetary Fund and World Bank, it meets twice a year—preceding the spring and autumn meetings of the two financial institutions.

G-77: A group of developing countries within the UN established in 1964 to articulate and promote the collective economic interests of its members and enhance their negotiating capacity. Founded by 77 developing countries, by 2002 it had 133 members.

General Agreement on Tariffs and Trade (GATT): A multilateral forum for trade discussion and negotiation aimed at encouraging trade between its members through the reduction of trade barriers. It led to a series of trade agreements, the first of which was in 1947. The *Uruguay Round,* completed in 1994, created the World Trade Organization which superseeded the GATT in 1995. GATT 1994 contains some of the WTO's underlying principles and its initial agreements.

General Agreement on Trade in Services (GATS): WTO agreement concluded at the end of the *Uruguay Round*. It provides a legal framework for trade in services and the negotiated, progressive liberalization of regulations that impede this. It covers areas such as transport, investment, education, communications, financial services, energy and water services and the movement of persons.

Generalized System of Preferences (GSP): System through which high-income countries grant preferential access to their markets to developing countries.

geographic indication: Measure aimed to protect the reputation of goods originating in particular geographic locations by limiting the use of distinctive place names and regional appellations to goods actually produced in those locations.

government procurement: Purchase of goods and services by governments and state-owned enterprises.

graduation: Generally used in the context of preferential treatment of low-income countries as a mechanism or set of criteria to determine when countries cease to be eligible for preferences.

grandfather clause: A provision in an agreement—including the GATT but not the WTO—that allows signatories to retain certain laws that otherwise would violate the agreement.

green box: Contains income support and subsidies that are expected to cause little or no trade distortion. The subsidies have to be funded by governments but must not involve price support. Environmental protection subsidies are included. No limits or reductions are required for such income support or subsidies.

greenfield investment: Productive investments, such as new factories and power plants, that are located on new sites rather than on sites with existing facilities.

green room: The meeting of a limited number of (often self-selected) countries to work out an agreement among themselves is referred to in WTO jargon as the green room process—named after the colour of the room of the GATT director-general where many such meetings took place during the *Uruguay Round*. In the WTO era the green room process has taken place especially in the intense negotiations prior to and at ministerial conferences, including in Seattle and Doha.

grey area measures: Trade barriers that were in a legally murky area before the *Uruguay Round*. Voluntary export restraints, for example, were grey area measures because they violated the *most-favoured-nation* principle and the principle of protection by *tariff*, and because they were applied without sanction by the GATT.

gross domestic product (GDP): Total value of new goods and services produced in a given year within the borders of a country, regardless of by whom.

gross national product (GNP): Total value of new goods and services produced in a given year by a country's domestically owned factors of production, regardless of where.

immiserizing growth: When an increase in export production not absorbed by world markets leads to severe deterioration in a country’s terms of trade, imposing a loss in real income that outweighs the primary gain in real income due to the growth in production.

import quota: The maximum quantity or value of a commodity allowed to enter a country during a specified period.

import substitution: Policies aimed at reducing imports by substituting domestically produced goods and services.

infant industry protection: Protection of a newly established domestic industry.

intra-industry trade: Trade through which a country both exports and imports goods classified in the same industry.

Like-minded Group: An informal group of 13 developing country WTO members that includes Cuba, the Dominican Republic, Egypt, Honduras, India, Indonesia, Jamaica, Kenya, Malaysia, Pakistan, Sri Lanka, Tanzania, Uganda and Zimbabwe. Jamaica and China are special invitees, and Mauritius is an observer.

maquiladora: An export processing factory, usually foreign-owned, that assembles goods for duty-free export, mainly to the US. The word originated in Mexico in the 1960s.

market access: The extent to which a country permits imports. A variety of *tariff* and *non-tariff* trade *barriers* can be used to limit the entry of products from other countries.

market failure: The inability of the market to deliver certain public goods or services and to allocate resources efficiently, therefore requiring state intervention.

markup: The amount (percentage) by which price exceeds marginal cost.

matching grant: A subsidy that is conditional on a co-payment or contribution by an industry or enterprise.

maximum (minimum) price system: Specification of the highest (lowest) price permitted for an import.

Mercosur: Common market among Argentina, Brazil, Paraguay and Uruguay, known as the Common Market of the South (Mercado Comun del Sur), created by the Treaty of Asunción on 26 March 1991. Chile and Bolivia were added as associate members in 1996 and 1997.

Millennium Development Goals: At the UN General Assembly in 2000, governments committed to achieving the following goals by 2015: eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria, and other diseases, ensuring environmental sustainability and developing a global partnership for development.

minimum access: The minimum quantity of imports allowed access to a market.

mixing regulation: Specification of the proportion of domestically produced content in products sold on the domestic market or specification of the amount of domestically produced goods that must be bought by an exporter for given quantities of imports.

mode of supply: WTO term to identify how a service is provided by a supplier to a buyer.

most-favoured-nation (MFN): A commitment that a country will extend to another country the lowest tariff rates it applies to any other country. All WTO contracting parties undertake to apply such treatment to one another under article I of the GATT. When a country agrees to cut tariffs on a particular product imported from one country, the tariff reduction automatically applies to imports of that product from any other country eligible for most-favoured-nation treatment.

multifunctionality: A term indicating that agriculture plays non-commodity roles in addition to providing food and fibre, including the provision of landscape and open space amenities, rural economic viability, cultural heritage, domestic food security, prevention of natural hazards and preservation of biodiversity.

mutual recognition: The acceptance by one country of another country's certification that a satisfactory standard has been met for ability, performance, safety and the like.

national treatment: Commitment to treat foreign producers and sellers the same as domestic firms.

necessity test: Procedure to determine whether a policy restricting trade is necessary to achieve its intended objective.

negative list: In an international agreement, a list of items, entities, products and the like to which the agreement will not apply, on the understanding that the agreement applies to everything else. Contrast with *positive* list.

nominal tariff: The nominal protection provided by a tariff—that is, the stated tariff amount. Contrast with *effective rate of protection*.

non-actionable subsidy: A type of subsidy not prohibited under WTO rules. However, a member country may respond to non-actionable subsidies by imposing *tariffs* on imports that are subsidized in exporting countries.

non-tariff barriers (NTBs): A catch-all phrase describing barriers to international trade other than *tariffs*.

non-tariff measure: Any government action with a potential effect on the value, volume or direction of trade.

normal value: Price charged by an exporting firm in its home market.

offset requirement: As a condition for importing into a country, a requirement that foreign exporters purchase domestic products or invest in the importing country.

opt-out: A country's withdrawal from an international agreement.

Organisation for Economic Co-operation and Development (OECD): Group of industrial countries that 'provides governments a setting in which to discuss, develop and perfect economic and social policy'. In July 2002 it had 30 members.

origin rule: Criterion for establishing the country of origin of a product. Often based on whether production (processing) leads to a change in tariff heading (classification) or in the level of value added in the country where the good was last processed.

parallel imports: Products made and marketed by the *patent* owner (or trademark or copyright owner) in one country and imported into another country without the approval of the patent owner.

Pareto efficiency: The criterion that stipulates that for change in an economy to be viewed as socially beneficial, it should make no one worse off while making at least one person better off.

patent: The legal right to proceeds from and control over the use of an invented product or process, granted for a fixed period of time—usually 20 years.

peace clause: A provision in article 13 of the Agreement on Agriculture designed to reduce the threat of trade disputes during the period of agricultural trade reform, especially in industrial countries. It stipulates that agricultural subsidies permitted by the agreement cannot be challenged under other WTO agreements. Expires at the end of 2003. Unless renewed, its expiry will subject agricultural subsidies to the same disciplines as industrial subsidies.

plurilateral agreement: Plurilateral WTO agreements contrast with multilateral agreements in that plurilateral agreements are signed only by member countries that choose to do so, while all members are party to multilateral agreements.

portfolio investment: The acquisition of financial assets, including stocks, bonds, deposits and currencies. Usually refers to such transactions across national borders or across currencies.

positive agenda: An initiative introduced by the secretary-general of the United Nations Conference on Trade and Development. Based on the perception that in the preparations leading to the 1996 WTO ministerial conference in Singapore, developing countries had focused on opposing the inclusion of certain issues (such as investment) in the WTO work programme, without formulating proposals or counter-proposals on issues of interest to them.

positive list: In an international agreement, a list of items, entities, products and the like to which the agreement will apply, with no commitment to apply the agreement to anything else. Contrast with *negative list.*

Poverty Reduction Strategy Paper (PRSP): Initiated by the boards of the World Bank and International Monetary Fund (IMF), this is a document describing a country's macroeconomic, structural and social policies and programmes to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are expected to be prepared by governments through a participatory process involving civil society and development partners, including the World Bank and IMF, and are required for countries seeking to obtain concessional lending and debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) initiative.

precautionary principle: The view that when science has not yet determined whether a new product or process is safe or unsafe, policy should prohibit or restrict its use until it is known to be safe. Applied to trade, this has, for example, been used as the basis for prohibiting imports of genetically modified organisms.

predatory pricing: Action by a firm to lower prices so much that rival firms are driven out of business, after which the firm raises prices to exploit its resulting monopoly power.

pre-shipment inspection: Certification of the value, quality or identity of traded goods in the exporting country by specialized agencies or firms on behalf of the importing country. Traditionally used as a means to prevent over- or under-invoicing, it is now also being used as a security measure.

price discrimination: The sale by a firm to different buyers at different prices. When it occurs internationally and the lower price is charged for export, it is called *dumping.*

price undertaking: A commitment by an exporting firm to raise its price in an importing country market, as a means of settling an anti-dumping suit and preventing an *anti-dumping duty.*

principal-supplier rule: Rule in bilateral negotiating procedures whereby an import concession on a specific product is to be negotiated only with the country that is actually or potentially the principal supplier of that product. Note that the WTO *most-favoured-nation* rule requires that the concessions be extended to all other members.

process and production method (PPM): Used when trade policy action by a country is motivated by a desire to ensure that imports have been produced in a way that satisfies a national or international production or process norm. The norms are often environmental.

producer support estimate: A measure of the aggregate value of the gross transfers from consumers and taxpayers to farmers resulting from policy measures. Also called *producer subsidy* equivalent.

production subsidy: A payment by government, perhaps implicit, to producers encouraging and assisting their activities and allowing them to produce at lower cost or to sell at a price lower than the market price.

protocol of accession: Legal document recording the conditions and obligations under which a country accedes to an international agreement or organization.

Quad (group of countries): The participants in the Quadrilateral meetings: Canada, the EU, Japan and the US.

quantitative restriction or quota: Measure restricting the quantity of a good imported or exported. Quantitative restrictions include quotas, non-automatic licensing, mixing regulations, voluntary export restraints and prohibitions or embargos.

quota rent: The amounts paid by traders or producers that need quotas to holders of quotas in an exporting country for specific textile and clothing products destined for specific importing countries. To the extent that the quota rents remain in exporting countries, they represent the amount of income transferred to such countries from importing countries. The quota rent equals the domestic price of the imported good, net of any *tariff*, minus the world price, times the quantity of imports.

rent-seeking: Economic rents that arise from policies that impose an extra cost to society (the loss of income due to the diversion of resources away from productive activities towards rent-seeking ones) beyond the distortionary costs associated with the measures that give rise to the rents.

request-offer procedure: Negotiating procedure based on the tabling, by each party, of a list of concessions requested of other parties, followed by an offer list of the concessions that could be granted in response to such requests.

restrictive business practice: Practice of business enterprises aimed at limiting access to markets and restraining competition (such as the formation of cartels).

retaliation: An action taken by one country against another for imposing a tariff or other trade barrier. Forms of retaliation include raising tariffs, imposing import restrictions or withdrawing a previously agreed trade concession. Under the WTO, restrictive trade action by one country entitles the harmed nation to take counter-action.

rules-based trade policy: Policy that adheres to accepted international rules and agreements on trade such as those embodied in GATT 1947 and the WTO.

safeguard action or measure: Emergency protection to safeguard domestic producers of a specific good from an unforeseen surge in imports.

sanitary and phytosanitary measures: Border control measures necessary to protect human, animal or plant life or health.

second-best argument for protection: An argument for protection to partially correct an existing distortion in the economy when the first-best policy for that purpose is not available.

selectivity: Application of a rule, regulation or trade action on a discriminatory basis to certain countries.

Singapore issues: The four issues on which it was agreed at the 1996 WTO Singapore Ministerial Conference to form working groups: trade and investment, competition policy, transparency in government procurement and trade facilitation.

single undertaking: Provision that requires countries to accept all the agreements reached during the *Uruguay Round* negotiations as a single package, rather than on a case-by-case basis.

special and differential treatment: The principle in the WTO that developing countries be accorded special privileges, either exempting them from some WTO rules or granting them preferential treatment in the application of WTO rules.

specific commitment: Under the *General Agreement on Trade in Services*, technical term describing the commitments made by WTO members on national treatment and market access for service sectors.

specific tariff: Duty (tariff or charge) expressed in terms of a fixed amount per unit of the dutiable item. For example, $1,000 on each imported vehicle or $50 on each ton of wheat. Contrast with *ad valorem tariff.*

standard: Rule, regulation or procedure specifying characteristics that must be met by a product (such as dimensions, quality, performance or safety). When these put foreign producers at a disadvantage, they may constitute a *non-tariff barrier*. See also *technical barrier to trade.*

state trading enterprise: A government entity responsible for exporting or importing specified products.

sunset clause: A provision within a piece of legislation providing for its demise on a specified date unless deliberately renewed.

tariff: A government-imposed tax on imports.

tariff binding: Commitment not to increase a rate of duty beyond an agreed level. Once a rate of duty is bound, it may not be raised without compensating the affected parties.

tariff equivalent: The level of *tariff* that would be the same, in terms of its effect, as a given *non-tariff barrier.*

tariff escalation: An increase in *tariffs* as a good becomes more processed, with lower tariffs on raw materials and less processed goods than on more processed versions of the same or derivative goods. For example, low duties on fresh tomatoes, higher duties on canned tomatoes and higher yet on tomato ketchup.

tariffication: Conversion of *non-tariff barriers* to their *tariff equivalents.*

tariff peak: A single, particularly high tariff, often defined as more than three times the average nominal tariff.

tariff rate quotas (TRQs): The quantitative level of imports of agricultural products (quota) above which higher tariffs are applied.

technical barrier to trade: Trade-restrictive effect arising from the application of technical regulations or standards such as testing requirements, labelling requirements, packaging requirements, marketing standards, certification requirements, origin marking requirements, health and safety regulations and sanitary and phytosanitary regulations.

technical regulation: Mandatory requirement or standard specifying the characteristics that an imported product must meet. Usually intended to protect public health or safety.

temporary admission: Permission to import a good duty-free for use as an input in production for export.

terms of trade: The price of a country's exports relative to its imports.

trade diversion: Trade displacement, as a result of trade policies that discriminate among trading partners, of more efficient (lower-cost) sources by less efficient (higher-cost) sources. Can arise when some preferred suppliers are freed from barriers but others are not.

trade integration: Process of reducing barriers to trade and increasing participation in the international economy through trade.

trade liberalization: Reduction of *tariffs* and removal or relaxation of *non-tariff barriers.*

trademark: Distinctive mark or name to identify a product, service or company.

trade policy review mechanism: WTO mechanism for periodic review of the trade policies and practices of members.

Trade-Related Aspects of Intellectual Property Rights (TRIPS). WTO agreement aimed at establishing minimum standards of intellectual property rights protection for all products and services, covering copyrights, trademarks, geographical indications, industrial designs, integrated circuits, patents and trade secrets.

Trade-Related Investment Measures (TRIMs). WTO agreement aimed at eliminating the trade-distorting effects of investment measures taken by members. It does not introduce any new obligations, but merely prohibits TRIMs considered inconsistent with the provisions of GATT 1994 for both agricultural and industrial goods.

trade-related technical assistance: Services financed or provided by donors and development agencies to strengthen trade-related institutions and build trade capacity in developing countries.

trade-weighted average tariff: A country's average tariff, weighted by the value of its imports. Easily calculated as the ratio of total tariff revenue to total value of imports.

transaction value: The actual price of a product, paid or payable, used for customs valuation purposes.

Uruguay Round. The last round under the GATT, which began in Uruguay in 1986 and was completed in 1994 after nearly eight years of negotiations. Included agreements in trade-related intellectual property rights and services for the first time, in addition to agreements in traditional trade areas such as agriculture and textiles and clothing. Its conclusion led to the creation of the World Trade Organization.

value added: The value of output minus the value of all inputs used in production.

variable levy: A tax on imports that varies over time to stabilize the domestic prices of imported goods. Essentially, the tax is set equal to the difference between the target domestic price and the world price.

voluntary export restraint: An agreement between importing and exporting countries in which the exporting country restrains exports of a certain product to an agreed maximum within a certain period.

waiver: An authorized deviation from the terms of a previously negotiated and legally binding agreement. Many countries have sought and obtained waivers from particular obligations of the GATT and WTO.

WTO panel: Group composed of neutral representatives that may be established by the WTO Secretariat under dispute settlement provisions to review the facts of a dispute and render findings and recommendations.

WTO plus: Trade agreements that contain more stringent obligations than the WTO multilateral trade regime requires. Regional trade agreements sometimes contain WTO plus elements.