

INTERNATIONAL AGRICULTURAL TRADE

Framework, Glossary, Tradespeak

Foundations of World Trading System

- **Harmonized tariff schedules**
 - *Everybody uses the same numbering system and the same definitions*
- **Bound Rates of Duty**
 - *Each country agrees to apply duty rates according to schedules in their law and submitted to the WTO*
- **Most Favored Nation**
 - *Each country agrees to give every other WTO country the tariff rate they provide to their "most favored nation."*
- **National Treatment**
 - *Imported and domestic goods must be treated equally*

Post-WWII Trading System

- **General Agreement on Tariffs and Trade – 1947**
- **World Trading Organization – 1994**
 - *Includes GATT agreements on goods (revised)*
 - *New or revised agreements on agriculture, sanitary and phytosanitary, textiles and clothing, technical barriers, investment, rules of origin, subsidies and countervailing measures, safeguards*
 - *New agreements on Services, Intellectual Property, Dispute Settlement*
 - *Limits on ag subsidization, “elimination” of ag export subsidies*
- **Regional “Free” Trade Agreements**

Foundations of World Trading System

- **Exemptions from MFN**
 - *Regional Trade Agreements (exemption required)*
 - *Developing and Least Developed Countries*
- **WTO greatly enhanced dispute system**
 - *Still chunky, slow, unwieldy*
- **PREDICTABILITY**
 - *The cornerstone of the system is predictability*
 - *US has long fought against unilateral, unpredictable actions of its trading partners*