

## Course 7: Foreign Trade

**Put the following words in the correct order.**

1. revenue / Tariffs / but / the / of / consumers. / also / increase / raise / costs / producers / to
2. may / also / down / Protectionism / slow / progress./ technological
3. a country. / may / for / Consequently, / lead / losses / welfare / to / protectionism /overall
4. help / barriers / industries. / may / trade /also / But, / infant
5. also / strategic / They / used / industries. / may / to / protect / be
6. with / restructuring / Furthermore, / help / can / industrial / they / capacity.
7. At / countries. / markets / same / generate / opening / competition / the / can / time, / developing / much / domestic / for / too /
8. Local / and / are / producers / develop. / compete / unable / so / industries / cannot / to
9. producing / forced / back / raw / materials / then / countries / are / on / Developing.

foreign market – export market domestic market – home market	marché étranger – marché d’exportation marché national
exports (eg: Car exports are slowing.) to export (eg: The company wants to raise exports.) exportation – the activity	les exportations exporter l’exportation
imports to import importation – the activity	les importations importer l’importation
trade foreign trade barter trade	commerce commerce extérieur commerce de troc
protection protectionism import ban	protection protectionisme interdiction des importations

*reduce establish preferential status Monetary discrimination regime*

At the end of World War II, the Bretton Woods conference in 1944 set up the International Bank for Reconstruction and Development (IBRD – or World Bank) and the International \_\_\_\_\_ Fund (IMF). It was planned to \_\_\_\_\_ an International Trade Organisation (ITO), to ensure that the trade \_\_\_\_\_ of the post-war world would be open, but this was not done. Instead, the GATT was created to organise multinational negotiations to \_\_\_\_\_ barriers in the trade of manufactured goods. These negotiations were organised in “rounds” stretching over a number of years. A key concept underlying this system was that of non-\_\_\_\_\_, in other words countries could not specifically discriminate against other GATT members, apart from within recognised derogations to the GATT system, such as the Generalised System of Preferences (GSP) which gives \_\_\_\_\_ treatment to developing countries. All countries therefore had to accord MFN \_\_\_\_\_ to each other.

True or False?

1/ The ITO was created?

2/ The GATT’s aim was not to open up trade generally.

3/ Negotiations took place continuously.

4/ The GATT offered countries a menu of options in dealing with each other?

tariff(s) tariff barrier customs duties duty-free	tarif(s) barrière tarifaire droits de douane exempté des droits de douane
Non-Tariff Barriers – NTBs regulations public procurement quota(s)	barrières non-tarifaires réglementations achats publics quota(s)

GATT – General Agreement on Tariffs and Trade WTO – World Trade Organisation MFN – Most-Favoured Nation (status)
Multilateral trade negotiations trade round : cycle de négociations
regional trade bloc(s)

*industrialised process packed covered shipped bilateral protected*

Key sectors of economic activity were not \_\_\_\_\_ by the GATT, until the Uruguay Round which began in 1986. These included agriculture, textiles and services. Agriculture has been strongly \_\_\_\_\_, and still continues to be so, especially by the \_\_\_\_\_ countries. Textiles were handled under the Multi-Fibre Agreement (MFA), which was in fact a mere collection of \_\_\_\_\_ arrangements between the industrialised and developing nations: it expired on 1<sup>st</sup> January 2005. Lastly, services were largely excluded from negotiation. These activities, which are often difficult to trade because they cannot be \_\_\_\_\_ and \_\_\_\_\_. Service were also protected by NTBs, such as national licensing requirements, etc. The Uruguay Round brought most of these activities into the GATT \_\_\_\_\_, notably under the GATS.

Since the Uruguay Round, multilateral negotiations have not moved forward. The Doha Round began at the end of 2001, but came to a stand-still in 2008, with disagreements between the industrialised and developing countries.

True or False?

1. The GATT's mission was to examine all issues related to trade.
2. The Uruguay Round introduced textiles into the GATT process.
3. Textiles are traded freely between industrialised and developing countries.
4. Services have always been open to international trade.

regional trade liberalisation	liberalisation régionale des échanges
Free-Trade Association	Association de libre échange
Customs union	union douanière
Single Market	marché unique
Economic and Monetary Union	Union économique et monétaire
free movement in goods and services	la libre circulation des biens et des services
GATS – General Agreement on Trade in Services	
trade policy	politique commerciale