Barriers to international trade

**Tariff** - a tax to be paid on goods that are trade internationally.

**Export tariff**: goods are access as they leave the country

**Transit tariff** - when goods pass through boundaries of countries

**Import tariff** -
- **Ad valorem tariff** - charge as a fixed percentage of market value
- **Specific tariff** - charge based on weight or other standard measure
- **Compound tariff** - include both calculation from Specific tariff and Ad valorem tariff

Tariff barriers

Tariff have been imposed for 2 reasons

Easier of raising revenue for the national government as only people from wealthier family will purchase imported goods, so heavy reliance on import tariffs adds progressivity to the domestic tax system. As these countries depend heavily on agricultural business, which government is difficult to collect tax revenues.

Act as a trade barrier by raising the price paid by the domestic consumer on foreign goods, they increment the interest for locally delivered substitute products.