

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.

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