

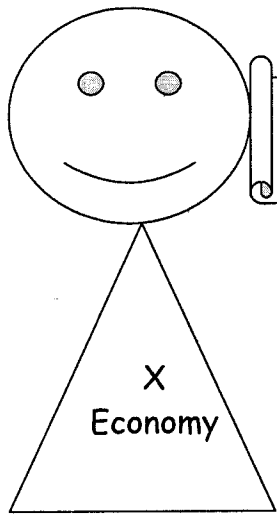
PROTECTIONISM

- "Protective Wall"**
- Trade Barriers
 - Non-Trade Barriers

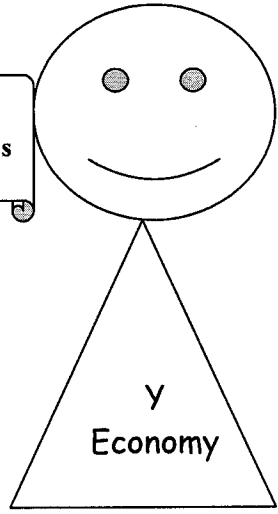
TRADE

Shelter/shield domestic firms from foreign competition (ie imports)

- Deny free access of foreign imports into domestic markets



Conclusion:
Protectionism = Temporary + Sound reasons



← Protectionism →

FORMS (Methods)

Trade Barriers = Use Price Mechanism To "price out" imported goods

Non Trade barriers = Quantitative Restrictions

Quotas

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- mandatory
- VER

Arguments (Reasons)

Economic & Valid

- Infant Industry
- Dumping
- Declining
- Diseqm BOP
- Terms of Trade

Economic & Non-Valid

- Retaliati on
- Job Loss
- Cheap lab

Non Econ

- Externalities
- Demerit
- Political
- Strategic Industries

Regulatory Approaches

- Rules & regulation eg Health , Safety reasons
- Currency Control
- Ban or Embargo

Contributed by Mr Andrew Tan