

# [International trade debate](https://assignbuster.com/international-trade-debate-2/)

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International Trade Debate Name: Course: Date: International Trade Debate Nations often find it necessary to impose trade restrictions for different reasons. In some cases, domestic producers find that they have to sell the prices of their commodities at lower prices than the competition from foreign goods. The government imposes some of these measures as a way of helping the domestic consumers. They do this by imposing several measures, some of which including having tariffs and quotas. Tariffs are the taxes levied on imports, which makes the imports more expensive for consumers. The increase in price discourages the consumers from purchasing the imported products. Instead, consumers are directed towards purchasing the available local products.

This benefits domestic producers of the same products. The domestic producers take advantage of the high prices imposed by the government, to raise the products of their prices. Tariffs increase the revenues collected by the government.

Tariffs lead to less mobilization of resources, as the producers use the available resources to manufacture the goods with the higher prices in an effort of securing high profits. The government can impose import quotas, which means it can restrict the amount of imports entering the country. The imposed quotas lead to a shortage of the imported products and this increases the prices.

This helps the domestic producers since they are able to meet the shortage, and this enables them to increase the prices. When the dollar is strong, it means that there will be fewer exports because manufacturers will find it more expensive to export the goods, and there will les less consumption. In this case, the country needs to lower the tariffs, to encourage consumption. When the dollar is weak, the exports will be relatively cheap.

Since the country needs to protect domestic producers, it needs to increase the tariffs.