

Overview of goods and services. an example is

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Overview Many of the world's capitalists seek out countries that value innovation, job creation and everything else that comes with free market economies. Traditionally billed as the world's freest economy, Hong Kong remains one of the most capitalist countries. It's almost non-existent tariffs and small government are a recipe for capitalist success. Economists insist that there is no free market in the real world.

They hold a view that free market system is more a theoretical concept as, governments always put some type constraints in the allocation of resources and the exchange of goods and services. An example is the minimum wages that are set by many governments around the world. Bahrain is a country wherein exists a free economic market in which supply and demand are not regulated by government or if it is, it is regulated with only minor restrictions, for the welfare of the traders, consumers and the community at large. The Government of Bahrain has been tactically taking actions to restrict the practices impeding free market regime in the Kingdom. This practice note shares the regulations on conducting free market process in the Kingdom of Bahrain. Key Definitions Free Market: In economics, a free market is an idealized system in which the prices for goods and services are determined by the open market and consumers, in which the laws and forces of supply and demand are free from any intervention by a government, price-setting monopoly, or other authority.

MENA: Middle Eastern and North African countries EFTA: Iceland, Liechtenstein, Norway and Switzerland states Practical guidance In an idealized free market economy, prices for goods and services are set freely by the forces of supply and demand and are allowed to reach their

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point of equilibrium without intervention by government policy. Critics of the free market have argued that, in real world situations, it has proven to be susceptible to the development of price fixing monopolies. Such reasoning has led to government intervention.

Two prominent Canadian authors argue that government at times has to intervene to ensure competition in large and important industries.

The Kingdom of Bahrain has also taken a place amongst the world's best economies. Growing fast and strong, Bahrain is an example of a successful free market. Other than being rated one of the freest countries in the world, it is also considered to have a high Human Development Index, a marker of a successful free economy. The 2015 Index of Economic Freedom gave it a score of 73.

4, making it the 18th freest in the world and the topmost in the MENA region. It is also the fourth in Asia, after Hong Kong, Singapore, Mauritius and Taiwan.

The kingdom has a free and open market which works on a demand and supply system. It has a free market economy, with no restrictions on capital movements, foreign exchange, foreign trade or foreign investment. The Kingdom has a leading position in the region as an open, free, transparent and welcoming environment for investors.

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The Ministry of Industry & Commerce, in particular as the main organ of Government, is responsible for the registration and supervision of businesses. It is responsible for a diverse

range of activities which make up the commercial environment in

Bahrain. The Ministry's aim is to ensure the maintenance of an open, transparent and market driven commercial environment so as to develop Bahrain's economic competitiveness, and to encourage inward investment, at the same time promoting employment for the local population.

The other aspect of Bahrain's free or open market is its range of free trade agreements it has accrued. Bahrain has bilateral trade agreements with over forty countries such as China, France, India and the UK. It has free trade agreements with Singapore, the EFTA states and 17 Arab states. Most notably, Bahrain was the first country in the Middle East to forge a free trade agreement with the United States of America in 2004, which came to be fully implemented in 2006. Bahrain also makes a mark in terms of fiscal freedom. The individual's income is completely free of taxation and most businesses are also exempt from taxation. Within the kingdom, the foreigners are allowed to be absolute owners of their businesses.

The 'free and open market' regulations in Bahrain also allows Bahraini employers to ingress migrant labor. The Department of Supply and Price control The Minister of Commerce, Agriculture and Economy and council of ministers, upon approval, established the department of Supply and Price control. It lays down the following law to determine prices and control them to maintain a culture of free market economy in the Kingdom of Bahrain. The department of supply and price control implements the general policy of measures that prevent monopoly

and obligetraders to adhere to the specified prices and not to manipulate the prices or quantities or control of local markets. Propose the foundations for fair pricing and the fight against unjustified reasons to raise them within the Kingdom of Bahrain.

The " Price Control Committee" proposes the necessary means to prevent price manipulation. It considers the complaints received from the public about the high prices. It functions to control price movements and studies all that leads to the fight against high prices.

It prohibits the practice of hoarding, i. e., working at artificially high prices, or the storage of quantities, or constraining the sale or collection of the market, all with the intention of keeping them from trading in the markets or reduce the supply of them to achieve profit, which is not a natural result of the reality of supply and demand. It restricts traders and factory owners who trade or produce goods that are appointed by a decision of the Minister of Commerce, Agriculture and Economy to refrain from practicing their trade or production except with the authorization of the Minister of Commerce, Agriculture and Economy. If any public employee of a commercial or cooperative establishment unlawfully held goods which he has been entrusted to sell to the public or licensed to sell, conceal or sell to a person or to persons in excess of their needs, shall be liable to a punishment of imprisonment for a specified period (not exceeding six months) and a fine (not exceeding five hundred dinars).

In case a person refrain from selling an unquoted or non-profitable commodity or to a purchaser of a commodity at a price higher than the declared price of this commodity, he shall be liable to imprisonment (for a period not exceeding three months) and a fine (not exceeding two hundred and fifty dinars). The Consumer Protection Law The government of Kingdom of Bahrain has also laid down its policies safeguarding free market practice in the Consumer Protection Law 35 of 2012 under the regulations of the Ministry of Industry, Commerce and Tourism. It advocates the areas of rightful government interference in the market economy to ensure the well-being of the community at large. Consumer Protection Directorate in Industry, Commerce and Tourism Ministry announced that it seized 21 stores that had been proven to store and refrained from selling cigarettes to the public and took the required legal and administrative procedures against, and referred their owners to the Public Prosecution.

This action was linked to the context of the directorate's legal obligation to prevent monopoly and collusion in accordance with the Consumer Protection Law 35 of 2012 and in particular concerning competition and monopoly controls and violations. The aim is to facilitate the consumer to obtain products at reasonable quality and suitable price in addition to protecting him from commercial frauds and harmful monopolistic practices. For this purpose, it shall implement the general policy concerning the measures ensuring the protection of free competition.

It has been laid down that manipulating the prices of products being traded by increasing or reducing them without justification shall be prohibited. Prohibition of Restricting the free flow of products to the markets or procuring the total

or partial disappearance thereof by unlawfully concealing or storing or refraining from trading in them.

Artificially creating a sudden abundance of products resulting in selling them at an unreal price that affects the economies of the remaining competitors and concealing the available products in the market either totally or partially from a certain person is prohibited. The act of concealing the necessary information or misleading with regard to a certain product is prohibited under the consumer protection law. Excluded from such prohibition shall be agreements that restrict competition designed to result in reduction of costs or improvement of production or distribution conditions where the benefit to the consumer is far more than the effects of reduction of free competition subject to the rules and guidelines laid down in the Implementing Regulation of this Law. The officers designated by the Minister to ensure the implementation of the provisions of this Law and the resolutions issued for its implementation shall have the power to enter the relevant premises. Officers who are designated by the Minister of Justice in agreement with the Minister shall have judicial summary powers in respect of the offences that take place within the ambit of their powers and where they relate to their job duties. Statements drawn up in respect of such offences shall be referred to the Public Prosecution by a resolution of the Minister or anyone authorised by him. Penalties similar to a prison sentence (for a period of no more than five years) and a fine (not exceeding five thousand Dinars) shall

be inflicted upon anyone who violates the provision of this law. Related
contentLegislationDecree number (18) forthe year 1975 to determine prices
and controlLawNo. 35 of 2012 concerning Consumer Protection