

# Four trade barriers government



International trade is the action performed of buying and selling the goods and services over the nation. Depending up on the trade barriers the industries will decide to import or export the goods and services, since it depends on the financial burden. To protect the domestic economy of a particular country introduced trade barriers which reduce the imports and increases the net profits of the country. From all the international trade benefits, government have affection to save the domestic industries from the international trade. The key justification is that production which is done by the citizens of domestic economy of a particular country, by paying taxes to the government other than the foreign workers. In this mainly discuss about the types of trade barriers and how the government was discouraging the global business using trade barriers.

## **Trade Barriers**

Trade barriers looks like a negative impression, but it helps to increase the economy of a particular country by reducing imports. The trade barriers are imposed by the government by placing rules and regulations, tariffs, import quotas and embargos. The four different types of trade barriers are Tariffs, Non-Tariffs, Import Quotas and Voluntary Export Restraints.

## **Tariffs**

Tariff is one of the most used for trade restrictions, since it increases the cost of imported goods and services. Tariffs are mainly used to collect the revenue on the goods which are imported. Tariffs are used mainly based on some of reasons:

Domestic Employment:

The trade barriers are commonly used to protect domestic employment. The imports from the foreign market produce a competition with the domestic production. Most of the domestic consumers buy the imports other than the domestic production, because of cheap foreign labour and lack of regulations. However, the goods produced by the foreign wages are cheaper compare to the domestic producers, so most of the consumers purchase foreign goods. Due to this there will be raise of unemployment since the foreign labour was cheap.

### Low Foreign Wages

The domestic production has high wages for the labour and taxes paid to the government and regulations. Whereas, the foreign imports gain a comparative advantage from domestic production because of low foreign wages paid to their workers.

### Infant industry

The infant industries can be protected using tariffs by strategy of Import Substitution Industrialization (ISI) used by many nations. The government produces high tariff prices for the imported goods in the developing economy to overcome the foreign competition. Mainly in developing countries directly they can produce the finished goods instead of agriculture products.

### Unfair trade

The foreign industries perform unfair trade to gain the advantage from the domestic producers. The main intention of foreign products is to sell them at low prices compared to the domestic products in the domestic economy,

since the foreign products can get by low subsidize price of their government. So trade barriers prevent the foreign producers from unfair trade.

### National Security

Trade barriers should protect the firms and industries that produce essential output to the security and nation. Trade barriers prevent the country by restricting the imports and allow more domestic production.

### **Import Quotas**

Import Quotas limit the quantity on goods and services that can be imported. In import quotas there are legal restrictions by the domestic government on the goods which are imported. Import Quotas keep the restrictions on the basis of first come first serve; if the goods are reached to its limit then no more goods are imported. This type of trade barriers often keeps licences for importing goods. For example United States has imposed a quota on textiles which are imported from the India and other countries.

### **Non-Tariffs**

Non-Tariff trade barrier includes some government regulations, rules and directive delays to keep foreign goods away from the domestic markets. Due to the regulations the production techniques are unique to the domestic customers. The different types of Non-Tariff trade barriers are:

Embargo:

Embargo means complete trade block between the countries. This type of trade barriers are totally banned of importing goods and services from a

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particular country. For example United Nations has imposed an embargo on trade with Iraq as a part of economic sanctions in 1990.

### Subsidies to local goods

In these trade barriers the government subsidizes the local firms and allows them to sell their products at low cost compared to the foreign markets.

Whenever there are more foreign firms enter in to the country then the government impose a tax on them and reduce the tax for the local production to make more competitive in the domestic and foreign markets.

### Local Content Requirement

Instead of imposing a quota on number of goods or services to be imported, the government can put a restriction on certain goods made domestically.

Foreign companies face a problem of exporting assembled products and cost to sell the product is also high, so instead of assembled products some of the products are done in domestic market. This improves the employment in the local market.

### Technical Barriers

When the products are exported to the other countries there should maintain some quality standards and to be tested by the health department. The product misuse in a particular country then again it will be tested and certified by the importing countries. There will be wastage of time and expensive. So in international trade, the trade partners should consult the standards by treating the domestic and imported products equally.

## **Voluntary Export Restraints (VER)**

A country facing a continuous huge trade against another country may produce or maintain raised pressure to a self-imposed limit on exporting goods. This type of limiting exports is called as voluntary export restraints. For example, Japanese automobiles imposed to U. S. over a number of years consistently, the U. S imposed such limits on itself.

In conclusion, a government imposed a restriction on international trade of goods and services by using different trade barriers. Trade barriers in various aspects like tariffs- importing taxes to the goods which are imported, Non-Tariffs, import quotas- which are totally banned from a particular country and Voluntary export Restraints. Trade barriers described the global business domestically and the trade between the countries. These are the four types of trade barriers the government use directly to discourage the global business.

## **Q2: Compare Samsung and Apple in terms of owner's leadership point.**

In growing world technology plays a very important role. The world economy dependent on the technology and changes the people's life. Samsung and Apple are the two companies producing different technologies in each and every product in the market. Most of the customers prefer to buy the products from these two companies, since the quality and the price are the two main important qualities absorbed by the customers. Samsung having different leadership qualities compared to the Apple.

Samsung GSG (2010). In a global society, Samsung provides better products and services to the customer using their talents and technology. From the foundation of Samsung in the year 1938 to the today, they have some core values for every decision they take like people, excellence, creative, integrity and collaboration. Samsung group is defined as digital leader, a global responsibility and as an ethical business. Samsung provides innovative technology, creates new markets and change the people's lives as a leader.

Samsung (1995-2013). The business partners are a key element to Samsung electronics for mutual development in global corporation. The best strategy to become a global leader is to strengthen competitiveness and better co-prosperity. Steve jobs said that we should not ask the customers what they want and then try to give that to them. By the time we built, the customers what something new.

Samsung leadership qualities

The Samsung leadership qualities are creative, collaboration and excellence.

Creative

Collaboration

Excellence

Roy Alugbue (2012) Samsung and Toyota announces joint collaboration since both are from different industries. After collaboration they have launched a Samsung mobile car application which connects Samsung smart phones to

the Toyota's in vehicle infotainment system. The main aim of collaboration is to add enhanced connectivity, multimedia capabilities and internet services.

Samsung is excellence in the quality of product and cost is also cheaper.

Samsung excellence guaranteed for some products like Notebook, if we purchase the product and not satisfied with the product then within 60 days the money is fully refund from 1st October 2012 to 31st march 2013.

Apple founders are Steve jobs, Steve woznaik and Ronald Wayne. It is an American multinational company established in the year 1976. Apple's revenue is recorded as the second largest company. It designs computers (iMac), iphones, iPod and many more products to the customers.

Apple Inc. (2013). Apple announced that changes in the environment will encourage more collaboration between the company's hardware, software and services. The CEO of apple, Tim cook said that in Apple's history the technology and innovation of new products are the main key elements. Apple designs best personal computers with iLife, iWork and professional software. Apple having strong network of leaders at store and regional level to continue the excellent works to produce innovative services to customers.

Apple creates game-changing innovations, and the products introduced by the apple are fascinating in the world. Some of the products released recently are iPhone5, iMac, ipad and many. The Apple make the product's more simple and functional, smarter and easy to use. The business is about the solving the problems and simplifying the process for the clients. Steve jobs curiosity has shown that in technology anything is possible. The Apple mainly focuses on the quality of the product but doesn't think about the

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price. The Apple concentrates on technology to develop new innovative products.

Apple leadership qualities

The apple leadership qualities are:

Focus

Passion

Innovation

Involvement

Effective Communication

Dee Zee (2011). One of the main leadership qualities was to make effective communication between the employees and customers. To create more positive outcomes, communication skills and understanding are important.

Mauro, L. C. (2012). The main comparison between Apple and Samsung are software, eco-system factor, price and technology. The price of the apple products are comparatively high compared to the Samsung products. The operating system and technology used in both products are different. In both Apple and Samsung the innovation strategies are same but design strategies are different. The Samsung focuses on the qualitative growth but not on the quantitative growth. To achieve the vision of leading in digital convergence, Samsung used electronic process. The Apple and Samsung concentrate on external environment and internal environment like Pestel analysis and

porter's five forces. Samsung implements the generic strategies of cost leadership, focus and differentiation.

More than half of the revenue of apple comes from its mobile products. The Apple stores have broad range of consumer electronics to the customers like computers (iMac), iPod, iphones and many whereas, Samsung also have broader range of electronics: the company makes everything from blue ray discs to laptops, HD TVs and DVR'S and refrigerators. In Samsung most of the operating systems are supported whereas Apple uses IOS operating software, iLife, iWork and other. Samsung always attract the most talented managers in the world to develop new ideas according to the situation.

Finally, the leadership qualities of Samsung and apple are likely to be relative but each company has its own strategy to develop the products to the customers. Apple concentrates mainly on the technology and the software to produce according to the people's lives whereas, concentrates on the creativity, excellence and collaboration. Apple creates valuable and possible changes in the followers. The cost of the Apple product is high compared to the Samsung products released in the market. The main objective of Samsung is to have each and every person at least one Samsung smart phones. At last, these are now leading in the market globally by their products using different technologies according to the people's lives.

## **Reflection Report**

Apart from other course in our international M. B. A, Global Business is one of the subject having presentations, where we can develop the personal skills . The two presentations helped a lot in knowing business activities and trade

barriers of the government. Presenting the two presentations gave a lot of information by reading various case studies, articles, journals and textbooks. This helped me to gain the knowledge and improve my skills.

The Global Business course helped a lot to me in knowing about the various firms and industries growing in the business by reading various case studies. In every week tutorial session helped in discussing various articles. In this we have known the various business activities globally how they are facing difficulties and moreover rules and regulations to be followed by a particular government. In our Global Business every week our professor gives an article on economics and allows reading and explains about the article. This improved me a lot on discussing various topics and issues of different countries. Apart from global business, other course also made me to be success in the business life.

The group presentations helped us to communicate between each other in a group effectively. The task for the two presentations which we have done in group helped a lot in knowing various views in our group regarding the particular topic. Once we are preparing for the presentation we can express our feelings to each other and if we have done any mistakes we can overcome by correcting immediately. The presentation is one of the good concepts to develop skills since most of the students who not presented before in undergraduate may feel tension to present in front of others

First time when we have given a presentation topic our group members said to be a group leader to interact with every one about the presentation, but I was bit nervous and feared to be a group leader and then I was just a group

member. But after participating in group presentation we felt very happy and later for second presentation I am the team leader and I learnt so many things as a group leader that coordinating the group and deciding the meeting sessions to discuss and communicating with all the group members. After presenting presentation as a group in the class I thought that I can start the business and I can manage as a team leader in the business.

When we are presenting the group presentation I never used any type of material and I was confident while explaining the presentations. I never felt any tension or stress in presentation while discussing with the group members and also when presenting in the class. Before presenting the presentation we practice one by one in our group, because we can aware of tension while presenting in front of the professor. Presentation helps us to motivate ourselves and develops the personal skills and it helps in business after completion of our courses.

To study global business, our university has provided various facilities in our library and other online sources to search various case studies, articles, journals and e-books. We gained knowledge as a group work, since each of the group member have searched the relevant topic articles, journals and many other sources and when we discussed in a group we can know about the each topic clearly. In our undergraduate I don't have any experience in giving group presentation, since I presented individually. The global business in this university gave a chance to participate and work in a group to present a group presentation which improved my leadership qualities, since I took responsibility in our group and I worked by communicating with each other.

At last, learning is the continuous process present and future after graduation too. To be a success man in business life we have to know the rules and regulations of the business. By improving the knowledge skills and personal development we can succeed as a business man. The course international business has benefited me to know about the business strengths and the competition in the business. In a competitive market we have to know the strength of the business handling and also should know about the international trade between the countries.