[SLIDE SHARE PRESENTATION – CLICK HERE](http://www.slideshare.net/esample458/trade-barriers-ppt)

1. What do you think this picture is saying? (Come back to this after you have complete slide show.)

[2.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-2-638.jpg?cb=1384933758)**Q. What is a trade barrier?** What is a physical trade barrier?

♦**A trade barrier** is an obstacle to (or something that stops) trade

♦**A physical trade** barrier is a natural barrier like mountains, rainforests, deserts.

**Q. Why would countries use trade barriers?**

List 2 reasons:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Q. Riddle** ***♦ What is so fragile, even saying its name can break it?***

[3.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-3-638.jpg?cb=1384933758)**Trade Barrier** I

**Tariffs** - A tariff is a tax on imported products or services. In the case of tariffs imposed by the United States, the business that imports or produces the foreign product must pay the tax to the U.S. government.

* The tariff revenue goes directly to the U.S. Treasury.
* **LINCS SUGGESTION** Draw a dollar sign next to tariff so you remember, Tariff = taxes = money

[4.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-4-638.jpg?cb=1384933758)**Example of a Tariff**

* Two companies sell athletic shoes in the US. Company 1 is located in Brazil. Company 2 is in Hershey, Pennsylvania. A tariff must be paid on all shoes made outside the US and sold in the US. The tariff is 10% of all sales.
* Both companies sell shoes at a price of $100 per pair

1. Which company must pay the tariff? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. Which company benefits from the tariff? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. How much will the tariff cost the company? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Who receives the revenues generated by the tariffs?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[5.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-5-638.jpg?cb=1384933758)**Trade Barrier 2 –**

* **Quota** - A quota is a limit on the amount of goods that can be imported. Putting a quota on a good creates a shortage (or a scarcity), which causes the price of the good to rise and allows domestic (inside the country) producers to raise their prices and to expand their production.
* **LINCS SUGGESTION** Draw a slow down sign so you remember Quota is a way to limit or slow down trade

[6.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-6-638.jpg?cb=1384933758)**Example of Quota**

* Germany has imported 2 million tons of steel from France every year for the past decade. Germany then started an import quota on steel. Germany now only imports around 1 million tons of steel from France, but the country of Germany still uses around 3 tons of steel a year.
1. How will this impact German steel companies?
2. How will this impact French steel companies?

3. Why would a country do this?

[7.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-7-638.jpg?cb=1384933758)**Embargo** - An embargo stops exports or imports (sending goods to another country and getting goods from another country) of a product or group of products. Sometimes all trade with a country is stopped, usually for political reasons.

* **LINCS SUGGESTION** - Draw a stop sign so you remember that an embargo means countries stop trading with others

[8.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-8-638.jpg?cb=1384933758)**Example of Embargo**

In 2015 Spain had some political disagreements with Greece, so they enacted an embargo against Greece. With the embargo, no Greek ships are allowed in Spanish ports.

1. How will this impact Greece?

2. Why would Spain want to do this?

 3. Will Spain benefit from this decision?

[9.](http://image.slidesharecdn.com/tradebarriersppt-131120072311-phpapp02/95/trade-barriers-ppt-9-638.jpg?cb=1384933758)**Decide what kind of barrier is being imposed in the following examples**…

1. A tax of 15% makes jewelry from Mexico more expensive than jewelry make in the United States.
2. The European Union prohibits the importing of meat products from animals treated with growth-promoting hormones.

3. Korea may export only 15,000 automobiles a year to the United States.