

A group of cricket players in blue uniforms are celebrating on a field. They are huddled together, with some players having their arms around each other's shoulders. The background is a blurred crowd of spectators. The text is overlaid on the image in a black, italicized font.

*“A goal without a plan is just a wish”*



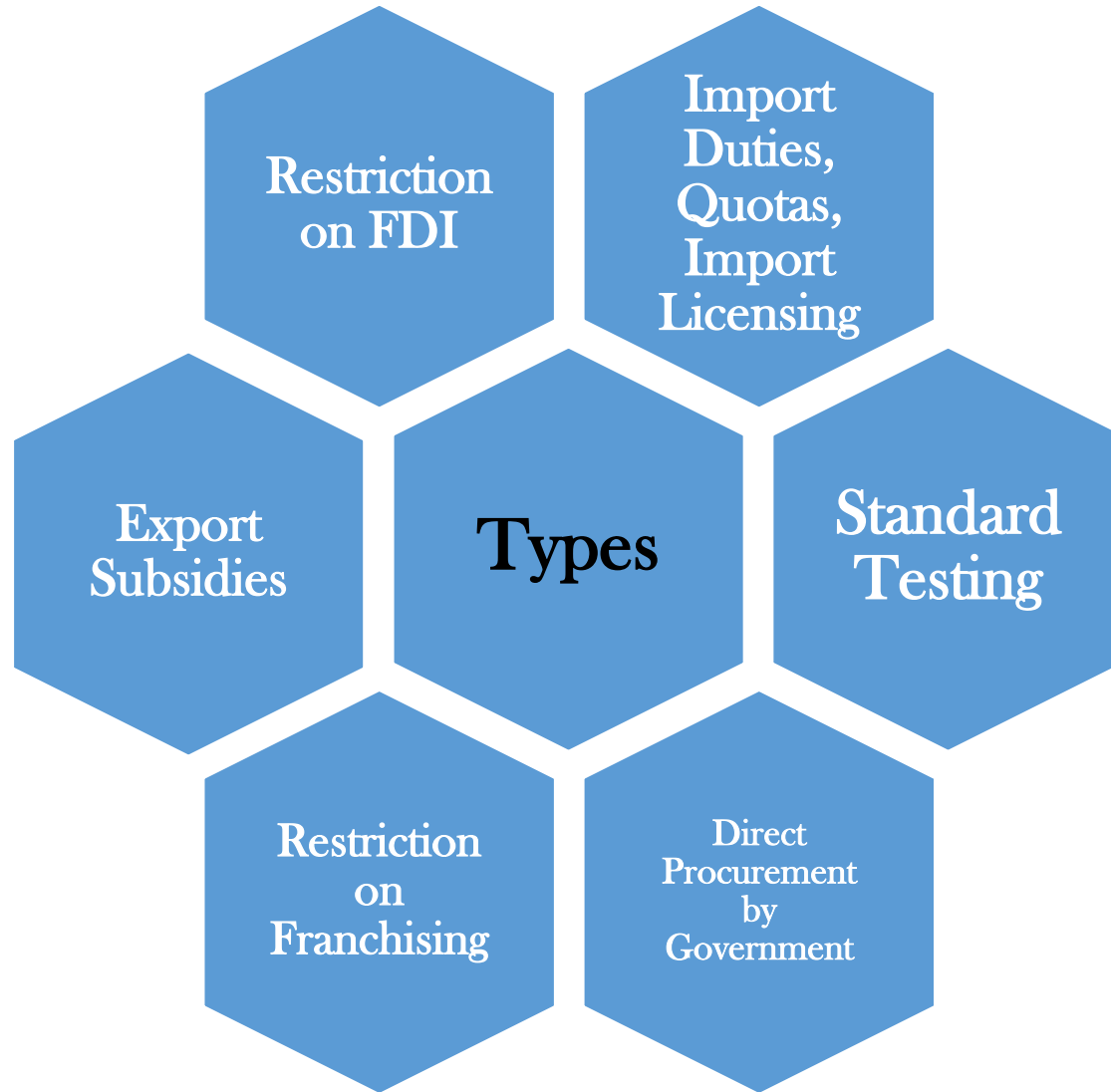
# Global Framework for Exports

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# Trade Barriers

- A govt. induced restriction on international trade.
- Involves imposition of additional cost that increases price of the product.
- Leads to Trade War.
- These are detrimental and reduces overall efficiency.
- Generally, higher income countries tend to have less trade barriers compared to lower income countries.
- Countries like Bahamas, Gabon, Chad, Bermuda impose maximum barriers.
- Countries like Singapore, Macao, Hong Kong, Switzerland impose least barriers.



# TYPES OF TRADE BARRIERS



## Tariff Barriers

1. Specific Duty
2. Ad Valorem Duty
3. Compound Duty
4. Seasonal Duty
5. Countervailing Duty
6. Revenue Tariff
7. Anti-Dumping Duty
8. Protective Tariff



## **Non- Tariff Barriers**

- 1. Quota System**
- 2. Product Standards**
- 3. Domestic Content Requirements**
- 4. Product labelling**
- 5. Packaging Requirements**
- 6. Consular Formalities**
- 7. Voluntary Export Restriction/Export Visa**
- 8. State Trading**
- 9. PTAs**
- 10. Currency Devaluation**
- 11. Health & Safety Regulations**
- 12. Environmental Regulation**
- 13. Embargo**

# Regional Economic Groups / Integration



[partial] — [substantial] — [none or not applicable]

### Stages of Economic integration

Trade pact type	activities inside the trade bloc							common barriers in external relations				
	eliminating barriers for exchange of					Shared policies		goods		services	capital	labour
	goods (tariffs)	goods (non-tariff)	services	capital	labour	monetary	fiscal	Tariff	Non-tariff			
Preferential trade agreement	[partial]	[partial]	[partial]	[partial]								
Free trade agreement	[substantial]	[partial]	[partial]	[partial]								
Economic partnership	[substantial]	[substantial]	[substantial]	[substantial]								
Common market	[substantial]	[substantial]	[substantial]	[substantial]	[substantial]				[partial]	[partial]	[partial]	[partial]
Monetary union						[partial]						
Fiscal union						[substantial]	[substantial]					





# Types of Economic Integration



## 1. Preferential Trade Agreement

- First stage of integration.
- Provides preferential access to certain products from the participating countries.
- Reduced Tariff on member nations.
- Can be multi-lateral or bi-lateral.

### Examples

- Economic Cooperation Organization (ECO)  
Eurasian#intergovernmental#1985#development#trade  
promotion#investment#AFG-AZB-IRN-KZK-KYR-PAK-TJK-TUR-TKM-UZB
- SAARC Preferential Trading Arrangement (SAPTA)  
South Asian#1993#tradeliberalization#cooperation#BGD-BUT-IND-MAL-  
NPL-PAK-SRL
- Canada Research Chair in International Political Economy, India -  
Afghanistan, India – Nepal, etc.

## 2. Free Trade Area

- Removal of barriers by member nations for member nations.
- Tariff imposed on non-member nations.
- Member nations follow individual economic policies.

### Examples

- Caribbean Community (CARICOM) #15 Caribbean nations#promote economic integration#sharing benefits equally#bilateral agreements with AUS,IND,JPN,MXC,SOK,USA,VTN,etc.
- China with CHL,HGK,NZL,CSR,SGP,etc.
- India with SGP,MAL,EU,SRL,etc.
- NAFTA#1994#CAN-MXC-USA
- Gulf Cooperation Council (GCC)#1981#BH-KWT-OM-QTR-SA-UAE
- Asia Pacific Trade Agreement (APTA) #1975#BGD#CHN#IND#LAO#MON#SOK#SL
- European Free Trade Association, Andrean Community, Central European FTA, etc.



### **3. Single Market**

- Most trade barriers are removed.
- Common policies on product regulations.
- Free movement of factors of production.

#### **Examples**

- GCC, CARICOM, ASEAN, Central American Common Market, East African Community.

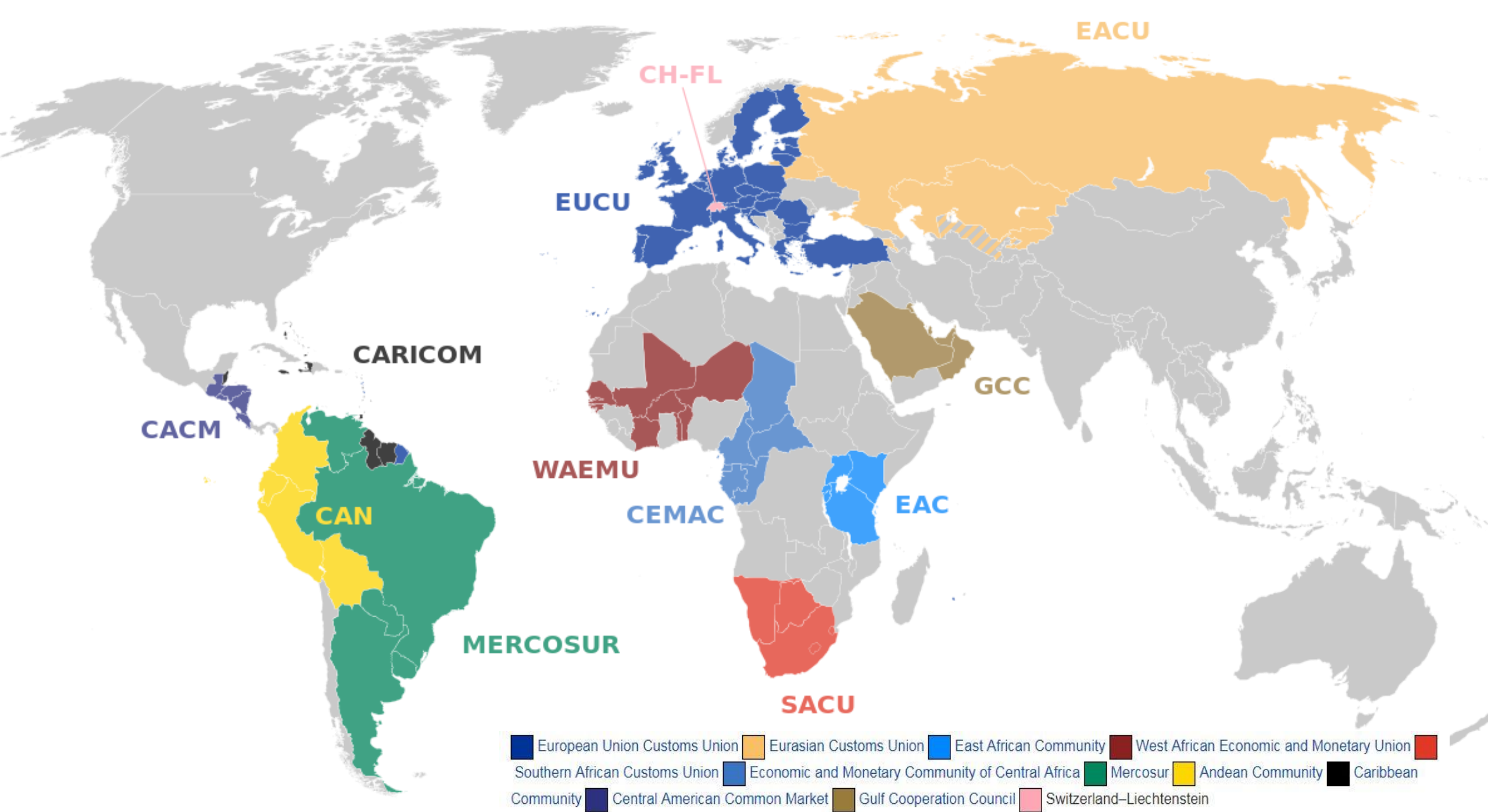


## 4. Customs Union

- Type of trade bloc which is composed of a free trade area with a common external tariff.
- The participant countries set up common external trade policy, but in some cases they use different import quotas.
- Established for increasing economic efficiency and generating closer political and cultural ties between the member countries.
- Customs unions are established through trade pacts.

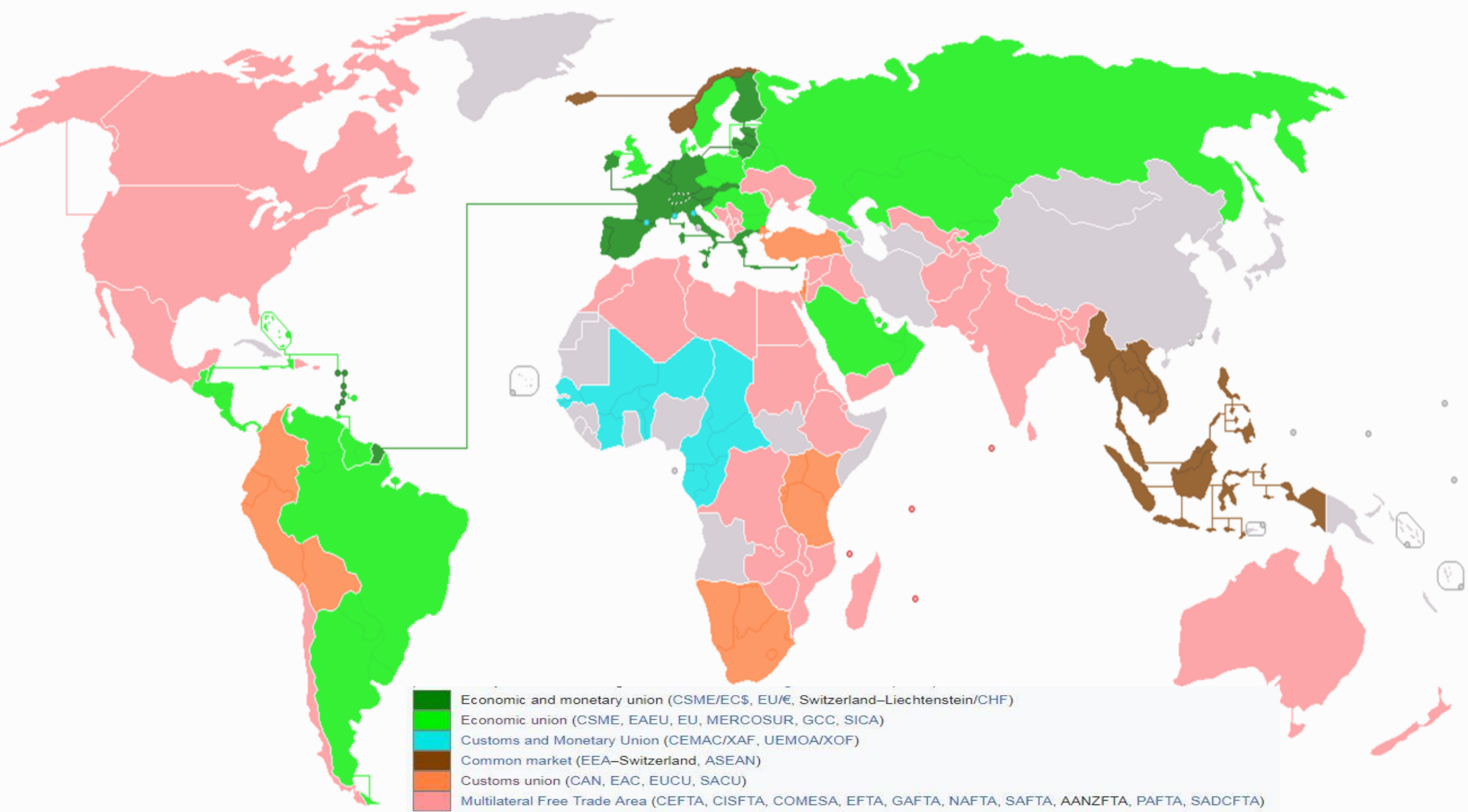
### Example





## 5. Economic Union

- A type of trade bloc which is composed of a common market with a customs union.
- The participant countries have both common policies on product regulation, freedom of movement of goods, services and the factors of production (capital and labour) and a common external trade policy.
- An Economic Union unifying currency becomes an Economic and Monetary Union.
- For increasing economic efficiency and establishing closer political and cultural ties between the member countries.





## 6. Complete Economic Integration

- It is the final stage of economic integration.
- The integrated units have no or negligible control of economic policy, including full monetary union and complete or near-complete fiscal policy harmonization.
- Complete economic integration is most common within countries, rather than within [supranational](#) institutions.

### **Examples**

- WTO, WHO, IMF, ADB, UN

# Positive Impact of Economic Integration



1. Trade Creation
2. Greater Consensus (membership)
3. Political Cooperation
4. Employment opportunities
5. Investment
6. Technological Development
7. Reduction in cost of trade
8. Improved availability
9. Increase in Purchasing Power
10. Economic Development (Due to market expansion, technology sharing and cross-border investment flows)
11. Ease in resolving conflicts among nations

An illustration of a grey stone wall with three people carrying crates on their heads. The person on the left is walking up a set of steps. The person in the middle is walking across the top of the wall. The person on the right is walking down a set of steps. The crates are yellow and blue. The background is a light blue sky.

# **Negative Impact of Economic Integration**

- 1. Creation of Trading Blocs**
- 2. Trade Diversion (leads to rise in price)**
- 3. National Sovereignty**
- 4. Collective Bargaining by Member Nations**
- 5. Common External Barriers**

# Need for Overseas Market Research

A hand is shown holding a globe. The globe is covered in various market research-related terms in different colors and sizes, including 'MARKET RESEARCH', 'analyzing', 'discover', 'insight', 'information', 'samples', 'product', 'statistical', 'operational', 'competitive', 'markets', 'products', 'international', 'information', 'insight', 'information', 'samples', 'product', 'statistical', 'operational', 'competitive', 'markets', 'products', 'international'. The words 'MARKET RESEARCH' are the most prominent, written in large, bold, orange and red letters across the center of the globe.

1. Identification of customer needs and wants
2. Product Decisions
3. SWOT Analysis
4. Gain Competitive Advantage
5. Global Market Intelligence
6. Consumer Demographics
7. Measure the effectiveness of Distribution Channels
8. Effectiveness of Promotional Measures
9. Develop Packaging Design
10. Industry Trends
11. Sales Forecasting
12. Pricing Decisions
13. Effective Feedback and Analysis

# **Determinants of Foreign Market Selection**

A man in a light grey suit is seen from behind, pointing his right index finger at a large, dark grey location pin on a light blue world map. The map is centered on the Atlantic Ocean, with North and South America visible on the left and Europe and Africa on the right. The background is a solid light blue color.

- 1. Market Size**
- 2. Market Growth**
- 3. Government Regulations**
- 4. Level of Competition**
- 5. Physical Infrastructure**
- 6. Political, Economical and Operational Risk**
- 7. Adequate Logistics Services**
- 8. Lower Cost of Production**
- 9. Trade Regulations**
- 10. Customer Behavior**
- 11. Preferential Treatment**
- 12. Availability of Human Resource Abroad**

**समापन**

