Name:

**BARRIERS TO TRADE**

E.SS6E6.a. Compare and contrast different types of trade barriers such as tariffs, quotas, and embargoes.

**Trade**: the exchange of goods and services in a market.

(Domestic—traders inside same country; international—trading with countries around the world)

**Exports**: Goods produced within one country and sold outside of the country

**Imports**: Goods/services sold in a country but produced in other countries

**Trade Barriers**: ways of limiting trade by tariff, quota, or embargo

TARIFF:

QUOTA:

EMBARGO:

**STARBURST TRADING CHALLENGE**

UNITED STATES CANADA CUBA BRAZIL

**UNITED STATES:** The U.S. specializes in creating yellow candies. For your country you need to acquire:

- *2 Orange Candies, 1 Pink, and 1 Red.*

Barriers to Trade:

- The U.S. has a tariff on trading candies with Brazil. If Brazil wants a candy from the U.S., they must give 1 additional candy. Also, the U.S. has a quota of only 2 candies from Brazil per day.

- The U.S. has an embargo on Cuba. No trading is allowed with this country.

- The U.S. has a free trade agreement with Canada. They cannot be charged a tariff.

**CANADA**: Canada specializes in creating pink candies. For your country you need to acquire:

- *2 Red Candies, 1 Yellow, and 1 Orange.*

Barriers to Trade:

- Canada has a tariff on trading candies with Brazil. If Brazil wants a candy they must give 1 additional candy.

- Canada has a quota on candies from Cuba. Only 2 candies from Cuba per day.

- Canada has a free trade agreement with the U.S. They cannot be charged a tariff.

**CUBA**: Cuba specializes in creating red candies. For your country you need to acquire:

- *2 Pink Candies, 1 Orange, and 1 Yellow.*

Barriers to Trade:

- Cuba has a quota on trading candies with Canada. Only 2 candies from Canada per day.

- Cuba has a tariff on trading with Brazil. If Brazil wants candy they must give 1 additional candy.

- Cuba cannot trade with the U.S. because of the embargo.

**BRAZIL**: Brazil specializes in creating orange candies. For your country you need to acquire:

- *2 Yellow candies, 1 Pink, and 1 Red*

Barriers to Trade:

- Brazil has a quota on candies from Canada and Cuba. Only 2 candies from these countries per day.

- Brazil has a tariff on candies from the U.S. If the U.S. wants candies they must give 1 additional candy.

***QUESTIONS FOR REFLECTION***

1. Were you successful at acquiring the candies you needed?

2. Was it hard to trade with other countries because of the trade barriers in place? If yes, explain why. If no, explain why not?

3. What are the pros and cons of barriers to trade?

4. What are the pros and cons of free trade agreements with a country?

**EXIT SLIP - Barriers to Trade Mini-Quiz**

Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SS Teacher\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Match the letter choices into the correct description of trade barriers.

A. tariff B. quota C. embargo

1. The United States' refusal to trade with Cuba for political differences is an example of a(n)\_\_\_\_\_.

2. If a special tax is added onto shoes from another country, it is an example of a(n) \_\_\_\_\_.

3. When an item has a set limit or restrictions it has a(n) \_\_\_\_\_.

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