

CUSTOMS AND PROTECTIONISM

Customs is the government agency entrusted with the implementation and enforcement of community legislation about external trade.

It prevents risks arising from international trade and travel as well as the illegal movement of people and goods, in collaboration with the police and immigration authorities.

Customs has different tasks: checking baggage and travelers, controlling goods, fighting against terrorism, drug trafficking and illegal trade and so on.

Protectionism is the government's policy which takes place to protect local industries, jobs and infant business (that is industries in their early stages of development) by putting up trade barriers.

The aim is that of improving the balance of trade, increasing government incomes and fighting against foreign unfair exporters.

Foreign unfair exporters are often accused of dumping, that is selling goods abroad at below cost price to capture a market.

Trade barriers may be: quotas, that is fixed limits on the quantity of imports allowed into a country; tariffs/duties, that is taxes on imports to raise their prices; anti-dumping duties, that is taxes on imports priced below price; subsidies to domestic firms in order to reduce their costs.