Protection of Local Industries by the Customs Law in Comoros

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Abstract
Industries are major tools for developing and increase the viability of a society. Under the influence of the customs law industries can change and a lot of things. The protection of industries should be organized by the law for good protection of the industries. Since Comoros ‘’customs law ‘’ promulgated the system constantly improving, but there is not a serious organization to protect the local industries. In this thesis, we study the protection of the local industries by the customs law. There are many problems in protection of industries. The subject and object scope, non-existence real of protection of local industries in the Comoros customs law, in this thesis we will try to show what wrong with it so we can try to find some solution or the push the Comoros law to learn from other law. The customs law in our country does not have a clear definition of the subject or real application place for the protection of industries. The customs law of Comoros doesn't have some real rules of protection of industries so we can’t talk about application of those rules. When we are talking about the customs law and industries, so they will be tariff and other thinks involve. We look at the tariff, tariff is very high it the law how fixed these taxes but if we take a look on taxes if the customs law in Comoros we will know that not industries can really survive and prosper on it. No real rules of import of goods form outside. So, we can imagine what will happen to the local market. The legal gap in term and manner of the protection of local industries led that the law can still control and fix the problem and protect the local industries. In order to solve these problems, the thesis will revel this problems in our according to the Comoros customs law and refer to the relevant foreign regime and propose problem solving ideas. In the subject of protection of local industries according to the customs of Comoros, talking about tariff, rules of importation. The company included in the scope of subject in order to ensure that show what is the protection going to be applicable, the protection of local industries should be real reorganize.
Keywords: Protection of local industries, customs law Comoros

1. Introduction

We live in a world where work is considered as the necessity of which no one can shirk; For he ennobles the man while helping him to support his many imperil needs. So, to be able to survive, man must produce the economic goods he needs. At present, all like men, states that they are small or large have the same obligation to produce goods they need for their economic independence and all for their development if they have the means. Thus, States and men, in view of the financial, technological and raw materials available to them, are trying to establish or create production units commonly called industries, whose mission is to Transformation of raw materials into finished or semi-finished products that the country needs for its economic self-sufficiency. Only we know very well that the creation of industry presents a lot of risk especially of the first steps in the matter of surviving and growing and developing like others in the world. It must be admitted that all these difficulties can be mastered when the country and the people involved go there. This is a protection and reorganize of the system to allow the latter to survive. If today in the world we speak developed in relation to developing countries, it is undoubtedly the first who knew very early industrialization and knew how to develop them but it’s not enough, but how to do for the Allow to survive long time. Present there is not a developed country in the world that does not know the phenomenon of protectionism. An efficiency method that has helped them to survive their industries. Protectionism is a method that has proved its effectiveness in the world. Protectionism can be interpreted in different ways and countries. Everyone can adapt it to their situation to achieve their ends. Protection can have many meaning, but we will remain in the field in which we are interested in which is the area of law. If we talk about the protection in law we say it about reorganize and restructuring of the law and rule to allow the security of things, goods and people as well. By basing ourselves on the subject we have dealt with the problem of the industry, many may be the solution that can come from this subject. But we have been low on industrial protection. The protection of the industry can and a problem that has is always a problem for many countries. Many of the law men have looked into this delicate subject. The problem of protection of local industries is a very large problem that deserves to be a great reflected. Historically, protectionism was associated with economic theories such as mercantilism (which focused on achieving positive trade balance and accumulating gold), and substitution. In the 18th century, Adam Smith famously warned against the "interested sophistry" of industry, seeking to gain advantage at the cost of the consumers. Friedrich List saw Adam Smith's views on free trade as disingenuous, believing that Smith advocated for freer trade so that British industry could lock out underdeveloped foreign competition. Some have argued that no major country has ever successfully industrialized without some form of economic protection. Economic historian Paul Bairoch wrote that "historically, free trade is the exception and protectionism the rule". According to economic historians Douglas Irwin and Kevin O'Rourke, "shocks that emanate from brief financial crises tend to be transitory and have little long-run effect on trade policy, whereas those that play out over longer periods (early 1890s, early 1930s) may give rise to protectionism that is difficult to reverse. Regional wars also produce transitory shocks that have little impact on long-run trade policy, while global wars give rise to extensive government trade restrictions that can be difficult to reverse One paper notes that sudden shifts in comparative advantage for specific countries have led said countries to become protectionist: "The shift in comparative advantage associated with the opening up of New World frontiers, and the subsequent “grain invasion” of Europe, led to higher agricultural tariffs from the late 1870s inwards, which as we have seen reversed the move toward freer trade that had characterized mid-nineteenth-century Europe. In the decades after World War II, Japan’s rapid rise led to trade friction with other countries. Japan’s recovery was accompanied by a sharp increase in its exports of certain product categories: cotton textiles in the 1950s, steel in the 1960s, automobiles in the 1970s, and electronics in the 1980s. In each case, the rapid expansion in Japan’s exports created difficulties for its trading partners and the use of protectionism as a shock absorbed. There is a broad consensus among economists that protectionism has a negative effect on economic growth and economic welfare, while free trade and the reduction of trade barriers has a positive effect on economic growth. Protectionism is frequently criticized by economists as harming the people it is meant to help. Mainstream economists instead support free trade. The principle of comparative advantage shows that the gains from free trade outweigh any losses as free trade creates more jobs than it destroys because it allows countries to specialize in the production of goods and services in which they have a comparative advantage. Protectionism results in deadweight loss; this loss to overall welfare gives no-one any benefit, unlike in a free market, where there is no such total loss. According to economist Stephen P. Magee, the benefits of free trade outweigh the losses by as much as 100 to 1. Protectionists believe that there is a legitimate need for government restrictions on free trade in order to protect their country’s economic, and therefore political independence

2. Innovation and deficiencies

The innovation of this paper is mainly reflected in the research perspective. The domestic research on the protection of local industries is mainly in the field of customs law. This paper analyses the protection of industries from the perspective of the law and puts forward some suggestions for improvement. In the improvement suggestion, from four aspects of determine term and manner to make everything right, fine and reorganize the law to allow a good protection of local industries, learn from other law to improve the proper functioning and the protection of local industries, and for the last establish serious rules that can provides a good protection of the local industries. This shortcoming is that there is no real protection or litigation case is just a prospective of potential legal risk. The non-protection of the local industries will encounter in the practice the extinction of the local industries, including the high tariff, the invasion of the market. We know also this process will be very difficult in this world we are living now because of the market is open for all in everywhere. But this protection is important for may reason no just in the perspective of the custom law, is not reflected in this article. Beside due to the fact that the protection of the local industries belongs to the local customs law and international economic law. Many knowledges about customs law has been added to demonstration process, because knowledge is not limited and many has been developed before. Finally, due to the fact that the protection of industries still in rapid development and shaping, this research in this paper is limited to the current theories and laws. If a new problems and new situations appear in the subsequent development of the protection of the local industries, the research is not applicable.

2.1 Analysis of the concept of the protection

the question is whether today we can speak of a national protection of local industries against foreign imports, while we live in a universe where we justify and increase trade and therefore relations and inter-dependencies between nations. if the answer to this question must be yes, then what are the underlying reasons for such protection? so many questions that deserve to be clarified throughout our work. but before we can have a little more explanation and a point on analyses processing. Through the story of protectionism, the world has been marked by various changes in all areas, especially in the economic and political environment, and make the new ideologies tend to contrast long dated between free trade and protectionism. we believe that it is right to say that the great difference exists between the levels of development of countries of the world should be regarded as an important reason for the establishment of a system of protectionism in some member states, such as the non-industrialized countries. This is all the truer since the industrialized countries have all the means necessary to realize any production or experiment. we are making here refers to the financial and human capital, so that these states, the poor of all these means. Also, a simple observation of exchange relations and links between the various parts of the world, we take note that these relationships are always two direction flow. -A flow of finished goods from the developing countries to industrialized countries and those not -A first metiers flow from the last to the first.

the levels of no and no, the imbalance between the two flows, which is characterized by the increasing price of finished products. while the materials are still in decline as the years pass. In order to overcome this, we industrialize to countries through the cooperation between industrialized and non-industrialized countries for technology transfer, which has resulted in the implementation of certain industries, especially those low in non-industrialized countries. and if not prizes protectionist measures in order to ensure the stability and development of a few new industries installed locally, they may find themselves in the door to shut down prematurely, as is already happening again and again to us. As a result, the non-industrialized countries would then be forced to specialize in agriculture and mining industries, i.e. the provision of premier's material, while the secondary industry should, by means of a consequence in industrialized countries, there must be, no matter what the situation, period. thus, it can help the new emerging industries in countries not yet industrialized by protection measures and facilities that are inoculation, in turn, have a solid foundation to face the foreign competition. finally disowns that canned free exchange, it is bad. Only application in a world composed of strong states and weak states are economically strong states and has some limitation, because it is unfit to capture the complexity of social and political circumstances, and the particular situations of possible trade imbalance inequality and exploitation. The restrictions to the principle of free exchange must therefore be based on the effect analysis much more realists not disadvantage group of countries. in order to know, and also took care of claret, it is necessary to consider.

2.2 Promotion of new industries

before going on the logic of the population, we see it is a good idea to promote the local industry in the area of the law. by utilizing the law regulated, sanctioned the problem, kidney can have effect in the law's states. the promotion of industries back even the promotion and good reputation of the law itself. in the framework of the protection of local industries to adopt certain measures which should be, which will push the industry to survive. the law may find ways to ease and flexibility which will help the local industries to develop. Importing products that compete with domestic industries has spawned protectionism in many countries. Protectionism is restraining goods by issuing tariffs or restrictive quotas on businesses. By importing products, the government has put a strain on some industries, causing them to have to restructure. Examples include textiles, metals manufacturing and mining. The government can restrain the imports and normalize the market to help protect and revitalize industries. The footwear, car and steel industries have all benefited from protectionism. it is far to see on the inside, which can be a barrier in the harmonious growth of local industries and can, moreover, justify the introduction of certain protective measures. on this score, we must not lose sight of a number of the behave of the local population, which has a certain distrust in terms of products manufactured locally preferred accordingly using the similar foreign products, especially products import. that said they would be a quality better than local products, factories in the country.

2.3 Value of the protection of the domestic industries

The value on the protection of local industries, is pre-emptive right system. Legislative value is the result of legislator's measurement and selection in different values, and the fact that affect the system include social factors interest factors and so on. In the context of Comoros where we can say they are in the phase of ''infant-industry'', is the supposition that emerging domestic industries need protection against international competition until they become mature and stable. In economics, an infant industry is one that is new and in its early stages of development, and not yet capable of competing against established industry competitors. Efficiency and interest are the pursued by the main body of the market economy, and the sometime it is will be influenced if we can control the market, it will be a best ideology of our acquaintance society. A protection of the local industries, can make emerging industry, can grow rapidly if it is successful. If it reaches this stage, it is then considered a growth industry. Growth industries that perform well become mature industries, which tend to grow slowly or not at all, but provide stable profits. When we are talking about profits it means the tax can be put up to make more profits so the society can all benefice from that. A popular argument against freer trade is that local industries in developing countries cannot compete against foreign counterparts unless they are protected. Proponents of protection focus on the one-time (static) and the continuous (dynamic) gains in efficiency and productivity that protection, at least theoretically, can afford local industries. Research on the subject is extensive but conclusions based on the research are very sensitive to modelling assumptions and vulnerable to criticism, with different modelling assumptions producing outcomes that show protected firms to be less efficient than those that respond to, and benefit from, the global forces of trade and investment.

2.4 Personal point of view

Through the arrangement and analysis of the various doctrines of the nature of the protection of industries, I think the local industries are very important to be protected. It more reasonable for the law to do so and find a way or arrange the law to do so. First of all, from the character of the notion, by passing through time, the protection of industries has been always existed and still existing. It always being like that for long time and it will still because every country would like to protect them self before the other. Secondly never a new industry can be competing with an industry has already developed. So, importing everything from outside without any restriction can be harmful for the local market and also the local industries. Personally, I think, the protection of local industries is not sufficient. So, the Governments may impose tariffs to raise revenue or to protect domestic industries from foreign competition, since consumers will generally purchase foreign-produced goods when they are cheaper. While consumers are not legally prohibited from purchasing foreign-produced goods, tariffs make those goods more expensive, which gives consumers an incentive to buy domestically produced goods that seem competitively priced or less expensive by comparison. Tariffs can make domestic industries less efficient, since they aren't subject to global competition.

3.THE REASONS AND RISKS THAT LEAD TO THE EMPOWERMENT OF LOCAL INDUSRTIES

This part to analyzed the tariffs imposed on imports to the country. But also, the charges on industries in Comoros. According to the customs code of my country, this is provided for in respect of imports of goods and property. Note that this information come from customs tariffs of Comoros since 1999. THE 1999 rate of common customs tariff and tariff preferential for COI and COMESA

3.1 Analysis of import tariffs and taxes on local industries

The Common Market for Eastern and Southern Africa, is a free trade area with nineteen-member states stretching from Libya to Zimbabwe. COMESA formed in December 1994, replacing a Preferential Trade Area which had existed since 1981. Nine of the member states formed a free trade area in 2000 (Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe), with Rwanda and Burundi joining the FTA in 2004 and the Comoros and Libya in 2006. Total tax rate (% of commercial profits) in Comoros was 216.50 as of 2017. Its highest value over the past 12 years was 217.90 in 2012, while its lowest value was 216.50 in 2013. Definition: Total tax rate measures the amount of taxes and mandatory contributions payable by businesses after accounting for allowable deductions and exemptions as a share of commercial profits. Taxes withheld (such as personal income tax) or collected and remitted to tax authorities (such as value added taxes, sales taxes or goods and service taxes) are excluded. Source: World Bank, Doing Business Project As provided for in article 21(1,2,3,4,5,6) industrial materials the following:

rate specific

1) Agriculture: animal production and animal services: 20% watering equipment: 20% plantations: 5% 8 wells: 10% rolling self-propelled tractors agricultural and hardware : 20% water conservation work and d u ground: 20% other machinery and equipment: 15% 2) electricity and gas expenses of major repairs of facilities of electricity and gas: 20% electricity production equipment: 5% pipelines, transport and distribution equipment gas: 5% groups generating heavy (plants) 15% groups generating mobile: 20% transmission of electric energy in final materials lines: 15% transmission of electric energy in provisional material lines: 20% heavy transformers high power: 10% 3) Hotels, cafes, restaurants: decorative facilities: 20% silverware: 20% kitchen stoves: 20% lingerie: 33.33% refrigerators, air conditioners: 25% • carpet, curtains, dyes: 25% glassware, dishes, utensils of kitchen: 50% 4) hydrocarbons gas cylinders 12.5 and 25 kg: 15% delivery trucks: 20% tanks of fuel for construction: 20% distributors service station: 15% equipment various gas station: 10% groups pumping of filing of fuel: 15% hardware oil refining: 10% pipes, fuel depot: 15% tanks and vats buried fuel: 20% tanks, bins and tanks not buried fuel depot: 10% spheres for liquid gas: 10% valves pipes depot oil: 10% 5) naval and air equipment: air material: 20% fishing vessel: 15% trailers for boats, trailers workshops: 25% another naval material: 20% 6) Industrial equipment: Wood cutting apparatus: 20% Cleaning apparatus: 10% 9 laminating, spinning apparatus: 10% Bleaching apparatus: 20% Cooking appliances: 20% Product recovery equipment: 20% Cab Ines of paints: 15% Pipelines: 10% Heavy lift trucks: 20% Steam boilers: 10% Mobile compressors: 20% Containers: 25% Degreasing tanks, Ovens: 10% Cement vats: 5% Excavators: 15% Lightning, distillate vats Ion or verification: 10% Large cranes: 10% Self-propelled cranes: 10% Washing machines, diffusers: 20% Vacuum shut-off machines: 20% Gel: 20% metallizing machines: 20% Paper and cardboard machines: 10% Machines Soldering and cutting: 20% Thermal cutting machines 10% Light machine tools, lathes, planers, drills: 20% Pneumatic hammers, grinders: 20% Factory equipment including machine tools: 20% Heavy oil engines: 10% Soft The: 33.33% lozenges: 20% Punches: 20% Small forklifts: 25% Mechanical mixers, mixers: 15% Pumps, chainsaws: 20% Overhead cranes, gantry cranes: 20% Soldering stations: 25% Pre-drivers or ovens: 20% Injection presses: 20% Transfer presses: 10% Hydraulic presses, other presses and compressors: 10% Turbines and steam engines: 10%.

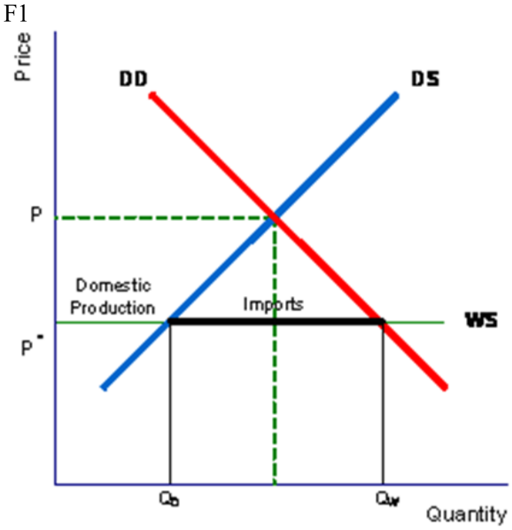
3.2 Problems caused by the tariffs and the taxes

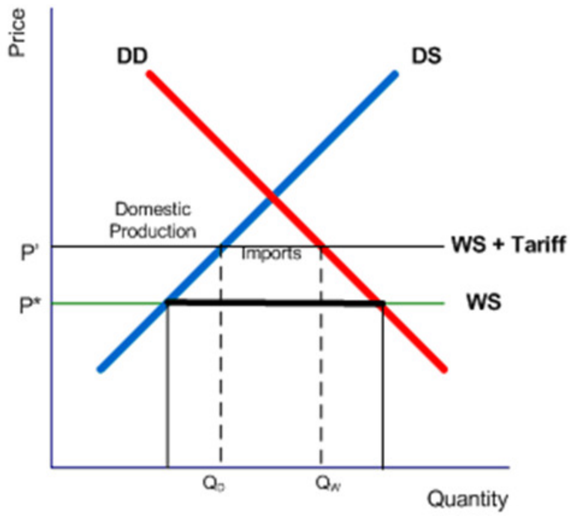
Taxation in Comoros is based on the French tax system. However, taxes are complex and tax rates are quite high. Under the General Tax Code, corporate tax applies to Comoros-source income at a rate of 35 percent. However, corporate tax rises to 50 percent if a company's turnover exceeds KMF500m. Individual income is taxed at progressive rates up to 30 percent, which applies on income of more than KMF3.5m. No tax is paid on income up to KMF150,000. All individuals with a permanent occupation in Comoros are subject to personal taxation. Self-employed individuals are subject to corporate tax. There is also a capital income tax of 15 percent. There are a number of taxes on property. Taxes on recording property transactions are levied at 2 percent of the value for property rights and mortgages and 1 percent of the cumulative value for leases. Tax on real estate transfers is charged at 2-9 percent of the selling price depending on the type of property involved. There is an annual tax on the rental value of a property of 20 percent for residential units and farms, and 30 percent on industrial and commercial units. There is also a per-hectare tax of up to KMF10,000 on agricultural land, the rate of tax depending on the type of land use. Real estate capital gains are taxed at a flat rate of 20 percent. There is a consumption tax of 10 percent, except for basic necessities (0 percent), water supplies, private school fees and inter-island air fares (3 percent) and electricity and telephone supply, and banking services (5 percent). Import tariffs apply on various items imported into Comoros at rates of up to 30 percent. Tariffs increase the prices of imported goods. Because of this, domestic producers are not forced to reduce their prices from increased competition, and domestic consumers are left paying higher prices as a result. Tariffs also reduce efficiency by allowing companies that would not exist in a more competitive market to remain open.

Figure 1 illustrates the effects of world trade without the presence of a tariff. In the graph, DS means domestic supply and DD means domestic demand. The price of goods at home is found at price P, while the world price is found at P*. At a lower price, domestic consumers will consume Qw worth of goods, but because the home country can only produce up to Qd, it must import Qw-Qd worth of goods.

When a tariff or other price-increasing policy is put in place, the effect is to increase prices and limit the volume of imports. In Figure 2, price increases from the non-tariff P* to P'. Because the price has increased, more domestic companies are willing to produce the good, so Qd moves right. This also shifts Qw left. The overall effect is a reduction in imports, increased domestic production, and higher consumer prices. (To learn more about the movement of equilibrium due to changes in supply and demand, read Understanding Supply-Side Economics.)

F1





F2

3.3 The invasion of market by good imported

Imports in Comoros decreased to 79484 KMF Million in 2016 from 81999 KMF Million in 2015. Imports in Comoros averaged 51341.62 KMF Million from 1996 until 2016, reaching an all-time high of 86482.00 KMF Million in 2010 and a record low of 22241.00 KMF Million in 1998. Comoros main imports are fuel (23 percent of total imports) and cars (18 percent). Others include: rice (11 percent), cement, fish and sugar. Comoros main import partners are: Pakistan (16 percent), France (15 percent), United Arab Emirates, Turkey, India and Kenya. Imports all-time average stands at 51341.62 KMF Million and its projection for 2017 is 76339.71. Exports averaged 6276.24 KMF Million and is projected to be 5656.77 in 2017.

3.4 Risk to lose the control of the market

Under the Uniform Financial Institutions Rating System, the sensitivity to market risk component reflects the degree to which changes in interest rates, foreign exchange rates, commodity prices, or equity prices can adversely affect a financial institution's earnings or economic capital. When evaluating this component, consideration should be given to: management's ability to identify, measure, monitor, and control market risk; the institution's size; the nature and complexity of its activities; and the adequacy of its capital and earnings in relation to its level of market risk exposure.

For many institutions, the primary source of market risk arises from non-trading positions and their sensitivity to changes in interest rates. In some larger institutions, foreign operations can be a significant source of market risk. For some institutions, trading activities are a major source of market risk.

Market risk is rated based upon, but not limited to, an assessment of the following evaluation factors: • The sensitivity of the financial institution's earnings or the economic value of its capital to adverse changes in interest rates, foreign exchanges rates, commodity prices, or equity prices; • The ability of management to identify, measure, monitor, and control exposure to market risk given the institution's size, complexity, and risk profile; • The nature and complexity of interest rate risk exposure arising from non-trading positions; and • Where appropriate, the nature and complexity of market risk exposure arising from trading and foreign operations.

4. WHAT MERSURE TO FOLLOW TO ENABLE INDUSTRIAL SURVIVAL

4.1 Risk to lose the control of the market

Comoros is the 192nd largest export economy in the world. In 2015, Comoros exported $39.1M and imported $365M, resulting in a negative trade balance of $326M. In 2015 the GDP of Comoros was $565M and its GDP per capital was $1. 48k.The top exports of Comoros are Cloves ($22.2M), Essential Oils ($6.64M), Vanilla ($6.25M), Wood Charcoal ($765k) and Scrap Vessels ($610k), using the 1992 revision of the HS (Harmonized System) classification. Its top imports are Dried Vegetables ($86.9M), Other Furniture ($40.7M), Awnings, Tents, and Sails ($19.7M), Small Iron Containers ($13.2M) and Rice ($13.2M).The top export destinations of Comoros are India ($12.7M), France ($6.53M), Germany ($4.62M), Singapore ($2.32M) and the Netherlands ($2.01M). The top import origins are Tanzania ($187M), China ($47.2M), France ($32.7M), Pakistan ($23.2M) and India ($15.8M). Exports. In 2015 Comoros exported $39.1M, making it the 192nd largest exporter in the world. During the last five years the exports of Comoros have decreased at an annualized rate of -1.6%, from $35.5M in 2010 to $39.1M in 2015. The most recent exports are led by Cloves which represent 56.8% of the total exports of Comoros, followed by Essential Oils, which account for 17%. Imports In 2015 Comoros imported $365M, making it the 186th largest importer in the world. During the last five years the imports of Comoros have decreased at an annualized rate of -7.8%, from $548M in 2010 to $365M in 2015. The most recent imports are led by Dried Vegetables which represent 23.7% of the total imports of Comoros, followed by Other Furniture, which account for 11.1%. It should be clarified here that this is not the limitation of any foreign product import; But only of the limit of foreign products similar to those manufactured locally and which in view of the preference that the local population gives them to the expense of local products constitute a real handicap to the harmonious development of Local industries. The main objective of this limitation is to provide the quantity of products similar to local products on national markets and to render local products more abundant. Concretely it is a question of setting quotas mainly on importation. Generally, the authorities make imports of these products into the national territory a more or less complex process: obligation to obtain supplies from local industries first for a certain percentage fixed by the Administrative officials and, the remainder of the order will be important after the importing Trader has provided the stipulated-on presentation of an invoice attesting the realization of the local supply. the purpose of this regulation and ensure that local products more accessible the population than foreign products. forcing the population has no longer have to do the choice; because foreign products are not only rare in the national territory, but still will be too expensive because what is rare is expensive. This limitation of the import industries premises acquired of the facilities for the flow of their products since they no longer in front of them especially on national markets and competing products of low quality. on the other hand, this limitation also allows to limit the output of the currency by the import as a result, foreign currency importing traders are out of the country. so, this limitation can also hold this out of currency and contribute thus balancing the balance of payments. If imports operated on the plan national were as important as exports there would be balance regarding the output of industrial products are almost non-existent, while the import are abundant. It is also what makes our trade balance is always deficit or unbalanced. and the limitation of imports contribute has also limit the imbalance in the trade balance. This limitation of imports must also be like a argument draws Defence National developed by P.H.Linder and P.Kindleberger. According to these two common authors a right to customs leads to do buy more goods produced by the nation and less foreign property. and this argument draws from the defence national requires increased production capacity for encouragement of national industry.

4.2 Limitation of goods coming from outside

Governments three primary means to restrict trade: quota systems; tariffs; and subsidies. A quota system imposes restrictions on the specific number of goods imported into a country. Quota systems allow governments to control the quantity of imports to help protect domestic industries. When we are talking about these restrictions we can take example from other country, restriction made by the developed counties: Restrictions on imports generally take two forms: tariffs and quantitative restrictions. Tariffs are taxes on imported goods upon their entry into a country. Tariffs, or import taxes, are usually calculated as a percentage of the value of a given imported product. If the United States imposes a 10 percent tariff on imports of Danish ham, for example, then a merchant bringing a $100 shipment of Danish ham into the United States would be required to pay 10 percent of $100, or $10, to the U.S. government. Tariff fees are collected for most governments by what is known as a "customs" agency—in the American case, the U.S. Customs Service, a division of the U.S. Department of the Treasury. Tariffs restrict or discourage imports by making imported goods more expensive than domestic goods. If a company importing \$100 in Danish hams into the United States must pay a \$10 tariff at the U.S. border, that company will be likely to increase the price of those hams in the United States, to make up for the cost of the tariff. Consumers can be expected to consume fewer Danish hams if they cost more than domestic hams, even if the Danish hams are thought to be superior in quality to the domestic hams. Tariffs vary widely from country to country and from product to product within countries. Most countries impose no tariffs at all on some imports, but most imports are subject to at least minimal tariffs. Most U.S. tariffs are very low—less than 3.5 percent, on average (Morici, 1992). Quantitative restrictions seek to limit access to imports by making them scarce, which, according to the laws of supply and demand, makes them more expensive. Most countries in the world apply quotas to the import of certain goods and services (although applying tariffs is much more common). Why would governments want to alter the natural flow of international trade by imposing tariffs and quotas? Governments restrict imports for four basic reasons: For some governments, particularly in the developing world, tariffs provide a significant source of government revenues. Every country in the world, including the United States, maintains high tariffs on at least a handful of products for which domestic producers are thought to be vulnerable to foreign competition. This so-called tariff protection is typically imposed early in an industry's life or at moments of weakness or decline, when the threat from more efficient foreign producers is thought to be particularly severe. Once imposed, tariff protection is very difficult to remove, because the enterprises and workers who benefit from it work hard to keep it in place. Governments use import restrictions to protect domestic health or safety. A government sometimes bans all imports of a particular good when it has reason to believe it could harm public safety or health. For example, in March 2001, the United States prohibited all European imports of livestock to protect U.S. livestock herds from foot and mouth disease, which had afflicted large numbers of animals in Europe. Governments also restrict imports and exports for political reasons. This kind of governmental restriction on trade is called a sanction. Countries wishing to punish or influence the behaviour of another country for human rights violations or for an act of aggression, for example, will sometimes restrict imports from "misbehaving" country. In times of war, adversaries will often prohibit all imports from each other, a measure known as an embargo. Methods employed in controlling the volume or value of goods coming into a country, usually to maintain the exchange rate of the country's currency. Also called import controls, the primary import restrictions are: (1) Tariffs (import duties) or taxes levied on the imported goods to make them costlier, (2) Import licenses or import quotas that limit the total quantity of goods imported, or imported from a certain country, (3) Currency restrictions that limit the amount of foreign exchange available for payment of imports, and (4) Prohibition that prevents entry of illegal or harmful items. The last three are collectively known as non-tariff barriers. We have developed the 4 most famous restriction on imports. We'll one by one the details of the restrictions:

1- Tariffs (import duties)

Import duty is a tax collected on imports and some exports by the customs authorities of a country. It is usually based on the value of the goods that are imported. Depending on the context, import duty may also be referred to as customs duty, tariff, import tax or import tariff. Import duties have two distinct purposes: to raise income for local government and to give a market advantage to locally grown or produced goods that are not subject to import duties. A third related goal is sometimes to penalize a particular nation by charging high import duties on its products. The amount of duty payable varies greatly depending on the good being imported, the country of origin and several other factors. In the United States, the HTS, which has several hundred entries, is used to determine the correct rate. Ultimately for consumers, the cost of the duty is added to the price paid for the good. Therefore, all other things being equal, the same good produced internally should cost less, giving local producers an advantage.

2-Import licenses or import quotas that limit the total quantity of goods imported or imported from a certain country an import license is a document issued by a national government authorizing the importation of certain goods into its territory. An importer or exporter transacting "customs business" solely on his own account is not required to be licensed. A broker conducting customs business solely on behalf of the importer must hold a valid Customs Broker license.

One of the responsibilities of the trade community is to exercise reasonable care when conducting business with CBP. When errors are identified, the ports will be directed to pursue penalty actions against importers and/or brokers who fail to use reasonable care. As an importer you must assure that your merchandise complies with other agencies requirements and obtained licenses or permits, if required, from them.

(3) Currency restrictions

There are many reasons that a currency may be restricted. Most often the restrictions are voluntarily imposed by the government of the country which issues the currency. For example, recently Angola's government chose to restrict foreign currency transactions and limit the amount of currency available to travellers, in part because of falling oil prices. The decision to restrict currency is often made to: Prevent currency devaluation, prevent

capital flight, Limit access to foreigners by preventing residents or non-residents to exchange a currency, the hope is that the value of that currency remains more stable. There are many factors which affect exchange rates, one of which is supply and demand. Simply put, the more people that buy or want to buy a currency the higher the exchange rate will climb and the more people selling or trying to sell a currency, the lower the exchange rate will fall. So, in times of economic trouble a country may stop people from selling their currency in order to artificially increase the value. Similarly, limiting foreign exchange prevents capital flight. Investors can't pull their money out of a country without exchanging the local currency for that of another country. Imagine if real estate or stock market investors all tried to sell at once – the economy would collapse! By limiting currency exchange, investors simply can't sell because there would be nowhere for their money to go. Sometimes the decision to limit access to foreign currency is a political decision rather than an economic one, especially in countries like Venezuela, Cuba and North Korea. Similarly, countries may impose sanctions on one another to prevent their citizens from doing business with or visiting certain countries. So, in short, the reason why some currencies are restricted is because of their political and economic ties to their backing nation. But there are many types of restrictions, and each accompany a currency with varying degrees of limitations.
4-Prohibition that prevents entry of illegal or harmful items
Certain items cannot be received, stored, shipped, imported and/or exported due to regulatory, hazard, safety or other reasons. Transactions involving these commodities are strictly prohibited, regardless of origin or destination. Please note: Prohibited items are forbidden to be exported from the origin country or imported to the destination country. Comoros has a list of prohibited products mainly for reasons related to national security, safety, religious purposes and environment. The products are arms and explosives, dangerous drugs, literature and objects which might considered as against religion, and products which may affect religion.

5. Conclusion

This paper has focused in the protection of local industries especially in how to protect the local industries and what is the advantage and disadvantage of the protection. For this analysis we will end to say that many view can out of this problem. Some will say these is a lot of disadvantage but we believe that this protection is important for the good of the developing countries. Our discussion of local industry theory and evidence has shown that developing countries stand to gain, not lose, from gradual elimination of industrial tariffs and assistance of the government. The local industries in the developing countries is very important for the good of the population and also for the economic development. A lot of analysis show that most of the developed countries used the same system to become what they are now. The paper shown how to protect those industries but also exposed some defiance can affect also the system. This restriction need to be temporally, the time to make sure the industries can protect them self but also can competitive with foreign industries. But the sometime no countries need to be separated from the rest of the word. In the end, we will say that the rules should be limited and changed. To enable these new industries, have the experience, but also shown the world what it can contribute.

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