

FORUM - World Trade Organization

QUESTION OF - Addressing issues that arise from infant industry protectionism laws

SUBMITTED BY - Japan

CO-SUBMITTED BY - Norway, United States of America, United Arab Emirates

SIGNATORIES - India, United Arab Emirates, South Africa, Pakistan, United Kingdom, Portugal, Qatar, Germany, Belgium, United States of America, Poland, Norway, Romania, Spain, China, France

Urges the attention of the house on this topic of issues that arise from infant industry protectionism laws,

Noting with concern the many drawbacks of infant industry protectionism laws and its impact on the economy and especially the impacts on the developing countries' economies and development as a whole,

Emphasizing the benefits free trade can bring to developing countries, in the sense that other industries can provide their goods while developing industries can provide raw material in exchange,

Deeply convinced that subsidies from trade are greater than the benefits that come from infant industry protectionism,

Further recalling the statement from the World Bank, "Per capita real income grew nearly three times faster for developing countries that lowered trade barriers more (5.0 percent per year) than other developing countries (1.4 percent per year) in the 1990s,"

Recognizing that the trade barriers of developing countries often harm the economy of one another,

1. Calls upon countries to further liberalise their economies through creation of trade agreements;
  - a. These agreements should include but not be limited to,
    - i. Major imports and exports of both countries,
    - ii. FDI into both of the economies through the states themselves as well as encouraging their allies to do so,
    - iii. Flow of technological access between the states,
2. Encourages countries to review policies of protectionism and help foreign companies understand the markets of the country to promote trade;
  - a. Creation of governmental associations that provide information regarding consumer preferences etc. and ease the complications of foreign companies entering the market,

3. Urges nations to intervene in situations involving a dominant corporation monopolising the industry in ways such as:
  - a. Subsidising or promoting potential and promising but relatively small companies for the market to be competitive,
    - i. These preferences must only be given until the companies have risen to level high enough for competition,
    - ii. This could be given through providing loans at lower interest rates,
  - b. Creation of committees or legislations which prevent monopolies from occurring,
4. Recommends that countries provide standards to be met over a specific period of time for the infant industry;
5. Encourages countries to translate all policies, strategic and new developments documents to English language upon request so as to ensure adequate understanding by all affected parties;
6. Draws the attention to the need of new ways in developing countries to tolerate infant industries, such as:
  - a. ensuring that infant industries secure a place in their industry and develop into a firm industry that trades worldwide, in ways such as:
    - i. promoting infant industries to:
      1. citizens,
      2. other countries,
      3. other industries that might be able to rely on the infant industry as a primary source,
    - ii. raising awareness and therefore raising demand as a whole by:
      1. advertising,
      2. airing TV programs,
      3. posting on billboards,
      4. creating trade fairs,
7. Supports the governments to act upon the main root of the drawbacks of infant industry issues by:
  - a. deliberately planning infant industry protectionism laws so it does not become permanent and therefore lower the competition of the economy,
  - b. investing in an industry that has shown gradual growth and consistency therefore guarantees success in the long run, in ways such as but not limited to:
    - i. arranging requirements and progress reports,

- ii. lending business loans to industries that reach their requirements to create a basis of development,
8. Suggests governments, in order to fully combat the issue of infant industry protectionism, to convert to a more efficient method, including:
    - a. Introducing the industry to a variety of international companies,
    - b. Specializing infant industries so that demand for that specific product increases globally through free trade,
  9. Further invites developing countries with infant industry protectionism laws in place to gradually decrease their tariff rates and transition into a more globalized, open market and also create free trade agreements with other countries;
  10. Expresses its hope for countries to get help under the Aid for Trade in order to expand their industries and to further develop their industry and economy as a whole, using ways such as but not limited to:
    - a. development packages<sup>1</sup> of special and differential treatment proposals
    - b. an in-depth analysis of the industries in the country and their potential growth in the global trade industry.
  11. Urges all member states to not inhibit international trade by not imposing international trade tariffs;
  12. Recommends all member states to aid in the supervision of developing countries to ensure that developing economies do not collapse.

---

<sup>1</sup> packages: [development measures designed to reinforce the development goals](#)