

# Analysis assignment

Literature, Russian Literature



Economic analysis My choice of the article depended on its ability to explain the of macro and microeconomics in a modern trading environment. The article hence addressed the issue sufficiently by addressing international trade, which has become a vital way of doing business in a globalized world. There is a deeper connection between the article and the subject as the authors have done a detailed analysis of a number of the factors that affect international trade. For instance, price and demand is one of the key factors that determine the rate at which goods will be imported or exported. The author has also done a comparison on some of the countries that are big players in international trade and how globalization boosts their level of income. The objective of the article was to prove that countries that specialize in international trade practices are better economically than those that choose autarky.

Reading the article has helped me understand the difference in the economic gap as relates to different countries. Key players in the international trade practices such as Germany, U. S. A, and Mexico have been used to explain import and export trade. There are various economic risk factors that the countries have to analyze and determine when and where to engage in such trade practices. For instance, trading among such countries is not only dependant on their produce but also on the prices of goods from other nations. This therefore implies that they will buy goods when the environment is favorable and process them to sell them at a reasonable price. By the term favorable, it implies that the countries take advantage of the reduced prices in the global market, especially when there is a higher supply of the goods. United States, for instance, specializes in the

transformation of raw products into processed ones, and hence getting a higher value of their imports. Once processed, the goods are sold back to the global market, especially when the supply is low, and the demand is high. Technology plays a greater role in determining the success of a product in international market. Countries that have mastered the essence of technology in international trade use it to analyze factors that are likely to benefit their trading activities. The article has proved to me that having a successful economy is not about how much a country can produce but rather how well it can predict the economic environment. With such knowledge, it becomes easier to take up some economic risks by investing in machinery and even importing a product whose supply exceeds its demand in the global market. It is all about using the available skills to transform a perishable product into a processed one to give it longer life in the market. The analysis given in the article is also applicable to individual entrepreneurs who take advantage of every opportunity to invest in machinery that will give them an added advantage in the market.

Despite the efforts that have been applied by the author in bring out the issue of international trade; the article was biased by only using established players in international trade. Most of the countries used as case studies have established a long history of the international market, hence making it an easier target. However, there are other nations that are growing at a faster rate because of the recent developments. For instance, India and China may be practicing some bit of autarky trade, yet they have specific products they export which makes them world players. Looking at the two countries, there is more balance in terms of the economic status of the

citizens compared to the big players where the gap between the rich and the poor is big. I think that the article did not address some of the internal issues that are faced by the citizens, despite the successes they have in global trade.

#### Works cited

Krugman, Paul & Wells, Robin. Economics and microeconomics: International Trade, 2012. New York: Worth Publishers.