

# [Exporting by states in the united states](https://assignbuster.com/exporting-by-states-in-the-united-states/)

[Business](https://assignbuster.com/essay-subjects/business/)

Exporting by s in the United s Q Top 5 products exported from Ohio Civil Aircraft, Engines, and parts Pass VEH\_SPK INT RCPR ENG> 3000cc
Soybeans, Nesoi
Pass VEH SPK\_IG INT COM RCPR ENG> 1500 NOV
Spark\_IGNTN RECPRCTING PISTON ENGINE, > 10 (U. S. Census Bureau 1)
Q 2
Classical Theory
Theory of free trade explains that an international trade is a factor of demand and supply forces in the market. A lower labor cost ensures effective communication across the countries. A cheaper wage in an industry results in a low production cost that in turn may make a country to produce a surplus. A firm has a responsibility to search for the market of its commodities in order to earn revenue. To achieve a state of equilibrium and balance of trade, a firm that produces products that its local market cannot consume all has to sell such commodities elsewhere across the borders (Sen 1).
Dispose of a surplus
A state sells its products that are beyond what her population can consume. Ohio can expose its goods and services across borders in those countries, which do not manufacture such supplies.
Maintain a high employment level
A state of Ohio has a mandate to employ its citizen in the labor market. Export trade creates job opportunities, and that contributes positively to expansion in GDP of a state. An increase in a country’s GDP results in an increased per capita income hence a general improvement in the welfare of the citizens.
Source of Foreign Exchange Earner
Ohio would formulate favorable foreign policies to attract foreign currency. A country may export its products to those countries with competitive prices. The State of Ohio would focus on those states, which offer highest prices for same products.
Q 3
A cost of production and forces of demand in the local market
Commodities with relatively favorable returns in the local market need no export. Goods have different cost of production and attract different revenue, therefore if export trade is not profitable, it is null and void strategy for a firm. Some countries prohibit importation of certain commodities thus can only trade locally
Works Cited
Sen, Sunanda. " International trade theory and policy: A review of the literature." Levy Economics Institute of Bard College, Working Paper No. 635. November 2010. http://www. econstor. eu/bitstream/10419/57042/1/642320969. pdf
U. S. Census Bureau. State Exports from Ohio: Total U. S. Exports (Origin of Movement) from Ohio. April 3, 2015. Web. May 12, 2015 http://www. census. gov/foreign-trade/statistics/state/data/oh. html