International trade and finance speech assignment

Business

ASSIGN BUSTER

Macroeconomic models and their forecasts are used by both governments and large corporations to assist In the development and evaluation of economic policy and business strategy. In December of 2008, the National Bureau of Economic Research, the united States department responsible for categorizing the country's economic condition, acknowledged what most Americans have known for some time; that their country Is officially In a deep and painful recession.

Even In September 2010, with governmental spending totaling more than $800 billion, and trillions of dollars' worth f credit from the Federal Reserve Bank, fears of a second recession were growing, along with worries that the country may face several more years of lean economic progress. Each year since 1969, Congress has spent more money than its income. The Treasury Department has to borrow money to meet Congress's appropriations. We have to pay interest on that huge, growing debt; and it cuts into our budget.

I will quote the President of the united States " By making Investments In our people and Infrastructure, we will strengthen the middle class, make America a magnet for Jobs ND innovation, and grow our economy, which will in turn help us to reduce deficits. But economic growth alone will not solve our Nation's long-term fiscal challenges. " For the United States to remain competitive, we must have a good trade policy In place that creates Income to help fund our national deficit budget. Trade agreements can foster economic growth by increasing trade for a nation.

Increasingly, nations have signed trade agreements with the United States, improving consumer choice and standard of living for trade partners. Major trade agreements include the North American Free Trade Agreement (NONFAT) and the World Trade Organization (WTFO) agreements. U. S. Goods (exports plus imports) increased from 9. 2 percent of gross domestic product in 1960 to 28. 6 percent in 2007. This expansion of international trade has benefited the united States and its trading partners considerably. The benefits Include a higher standard of living, lower prices for consumers, Improved efficiency in production and a greater variety of goods," writes Karol. In fact, international trade is so beneficial that a global elimination of trade barriers would cost the income of Americans by a total of half a trillion dollars. Now I would like to pose relevant questions and responses to those questions to help everyone understand the Impact of trade for the united States. What happens when there Is a surplus of imports brought into the U.

S.? An import is any good or 1 OFF typically for use in trade. Import goods or services are provided to domestic consumers by foreign producers. United States is the world's largest importer. U. S. Main imports are Industrial Supplies (32 percent of total imports) with crude oil alone accounting for half of this category. Others include: Capital Goods (24 percent); Automotive vehicles, parts, and engines (13 percent); Consumer Goods (12 percent) and Foods, Feeds, and Beverages (5 percent).

Main imports partners are: China (18 percent of total imports), European Union (16 percent), Canada (14 percent), Mexico (12 percent) and Japan (6 percent). If the United States imports an excessive amount of products from abroad, U. S. Producers competing with imports suffer from lower prices and fewer sales. They have less revenue and resource owners doing the reduction have less income. While China imports are only 7. 5% of American spending on all consumer goods, they constitute 80% of toys, 85% of footwear and 40% of clothing that Americans buy.

What are the effects of international trade to GAP, domestic markets and university students? Gross Domestic Product is the value of all goods and services produced by a country in a given period. Globalization increased trade agreements world wide which influenced the domestic and foreign investment for the benefit and development of different sectors. The increased income from trade agreements made it possible for the president of the United States to create a budget that continued to include funding to encourage Americans to attend universities.

How do government choices in regards to tariffs and quotas affect international relations and trade? Tariffs are a tax on imports coming from foreign countries. Tariffs play an important role in international relations. The government is able to control trade with other countries by raising or lowering tariffs. If the government wanted to promote trade with an underdeveloped economy, it loud lower tariffs on imports from this country. This would give businesses an incentive to conduct trade with the country because of the lower costs of importing goods.

What are foreign exchange rates? How are they determined? A Foreign exchange rate is the rate at which one currency may be converted into another. These exchange rates are determined largely by the volume of currencies purchased and sold for the purposes of both speculation and international transactions in assets, goods and services. Other contributing variables include the economic conditions and monetary policies of individual countries seeking to strengthen or stabilize their currencies' values in the global market. Why doesn't the U. S. Imply restrict all goods coming in from China? Why can't the U. S. Just minimize the amount of imports coming in from all other countries? If the US stops Chinese imports, then China will stop American imports and US business will lose access to the fastest growing markets in the world. U. S. A. Can't minimize the amount of imports from all other countries because: – Prices would increase and standard of living loud fall even further. – In order to do that, the US needs to cut down regulations and taxes to become more competitive on global trade.