

Cooperate power

[History](#)



International trade is the contemporary scaffold of success. Trade agreements policies bring in fields to competition and innovation and are a source of corporate power. This is because they create opportunities for corporations for their growth (Hoekman et al, 2002).

The World Trade Organization and other trade agreements offer its members trade devoid of favoritism which the corporations use to further their interests. Under these agreements, corporations cannot show favoritism to any one of their trading partners thus ensuring equal treatment for all corporations which assists them pursue their interests (Hoekman et al, 2002). For instance, the recent trade agreement between United States, Panama, Colombia and South Korea allows the member state's corporations to treat each other equally.

Though World Trade organization and other trade agreements do not fully offer free trade, corporations have furthered their interests through the lowered trade barriers between trading nations. Trade agreements lower trade barriers such as customs duty, excise duty, quotas and import bans which open markets to the corporations. Arguably, this results to increased production as these corporations will focus on what they produce best (Hoekman et al, 2002). Needless to say, lowered trade barriers allow corporations to increase their trading activities, which results to increased incomes. In addition, World Trade Organization and trade agreements reduce the costs of production which may trigger increased profits for the corporations thus furthering their interests. Debatably, the removal of trade barriers increases the level of cheap imports used in production resulting to abridged costs of production.

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protection and incentives. In this regard, corporations use the business incentives, and protection such as defending of logical property rights offered by World Trade organization and other trade agreements (Hoekman et al, 2002). This assists the corporations in attaining and furthering their interests. The recent trade agreement between United States, Panama, Colombia and South Korea protect intellectual property rights and environmental standards allowing the corporations in the different states to further their interests.

World Trade Organization and other trading agreements offer enterprises an apparent view of their future opportunities (Hoekman et al, 2002). This is because trade agreements assure member states that the trade barriers will not be raised offering corporations predictability. This encourages the corporations to invest to further their interests.

References

Hoekman, B. M., Mattoo, A., & English, P. (2002). Development, trade, and the WTO: A handbook. Washington, D. C: World Bank.