

International trade and united states assignment

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**ASSIGN
BUSTER**

Exports and imports constituted 14 percent and 11 percent of GDP respectively in 2009. These proportions have more than doubled since 1975. The United States trades more with industrially advanced economies although the U. S. Trade with Mexico is substantial. The U. S. ' s most important trading partner quantitatively is Canada, buying 20 percent Of our exports and providing 15 percent of our imports in 2009. China was the leading export country in 2009, surpassing Germany which used to hold that position.

The order is: Belgium, Canada, Japan, United States. Improvement in transportation technology; Improvement in communication technology; and Decline in tariffs ; other trade impediments. Question 5 If the European Euro were to decline in value (depreciate) in the foreign exchange market, would it be easier or harder for the French to sell their wine in the United States? Suppose you were planning a trip to Paris. How would depreciation of the Euro change the dollar cost of your trip?

ANSWER: If the European Euro declines in value, it means that Americans can receive more euros for each dollar. Therefore, they do not need as many dollars to pay the Euro price Of a bottle Of French wine, so the quantity demanded would rise and it should be easier to sell French wine in the U. S. Likewise, the Euro depreciation would make it less costly for Americans to travel in France, since the dollar would now buy more euros (assuming that prices inside France have not risen to entirely offset the depreciation of the Euro).

Question 6 What measures do governments take to promote exports and restrict imports? Who benefits and who loses from protectionist policies?

What is the net outcome for society? ANSWER: Governments promote exports by providing subsidies to export producers, which effectively lowers their costs and enables them to sell their products at lower prices on world markets. Subsidies enable export firms or Industries to compete against other nations, but the fact the subsidy was necessary for this competition means that the most efficient use of resources is not taking place.

Restriction of imports can be accomplished by protective tariffs, by import quotas, and by non-tariff barriers such as licensing requirements, unreasonable quality standards, and unnecessary import procedures. The benefits of protectionist policies are to the industry that has to compete on world markets either with its exports or against imports. Even this may be a short-run benefit, because industries that are protected may come so inefficient and outmoded that they are unable to stay afloat even with the protection in the long run.

There may also be some political benefits as those protected groups have a strong self interest in this protection and are vocal opponents of free trade for their industries, whereas the benefits of free trade are more diffuse and the benefits to any single group of voters is less noticeable. The costs of protectionist policies are more widespread. The costs of protectionist policies arise because resources are not being used as efficiently as they might be under free trade.

WTFO oversees trade agreements reached by member nations and arbitrates trade disputes among them. (b) The EX. is a trading bloc of 25 European countries who have agreed to abolish tariffs and import quotas on most products and have liberalized the movement of labor and capital within the EX.. (c) The Euro is the common currency that is used by 12 of the original 15 EX. countries. As of 2010, the number has grown to 16 countries. (d) NONFAT is a trade bloc made up of the United States, Canada, and Mexico whose purpose is to reduce tariffs and other trade barriers among the three countries.