

# Global trade

Business



Global trade Governments of different countries have adequate reasons to intervene in international trade. According to Agarwal, the governments would be providing a rationale for both economic and non-economic sectors (Agarwal, pp. 1-3). In the economic sector, the government will be helping to solve unemployment. The government will create domestic jobs by limiting imports. Additionally, the government will be shielding the emerging industries from international competitors.

In the non-economic sector, the governments will be maintaining essential industries. With reference to the guardian, the governments will be in a position to pass international restrictions that protects domestic industries (The Guardian, pp. 1-3). Furthermore, the governments will be promoting national security. It will be a means of implementing a foreign policy targeting enemy states.

According to Reimer, by intervening in trade, the governments are trying to adhere to the strategic trade policy (Reimer, pp. 1-50). By encouraging domestic employment, governments may raise their tariffs to influence trade. Additionally, they may use the strategic policies to mitigate influences of big corporations. It will be assisting growing companies domestically. Governments may raise taxes on goods that trade with enemy country to implement their foreign policies (Reimer, pp. 1-50).

Trading in the past mostly dwelt in trade politics. Nowadays international trade has advanced and trade laws have replaced trade politics. Additionally, trade has transformed gradually till nowadays countries trade with a body called World Trade Organization supervising the activities. According to Pauwelyn, trading system has developed from power based to rules based trade (Pauwelyn, pp. 1-20)

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Poverty is an issue that affects current global trading. The major cause of poverty is structural adjustments by the World Bank. Additionally, the loans to third world country are another issue in trade. The loans undermine developments and reduce trade flow.

Managers have to adhere to both ethical and legal standards in the current trade systems. Adhering to those factors will see them tackling competition with ease and avoidance of legal implications.

#### Reference

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