



International trade

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International economics

National economics

International economical relations



World

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International

Economy
Commerce
Bank

Relations
Commerce
Production


World (global) market

World (global) market – the system of market and services interchange formed on the basis of international labor differentiation and international currency-and-credit and financial relations.

Closed vs. Open economy

Closed economy is devoid of self-organization possibilities and organized by environment. It tends to autarchy (an economy system whereby the country produces almost all goods required by itself) and state-controlled economy.

Open economy is based on cooperative activities of economy subjects – exchange, cooperation and competition, on individual resolutions adopted by subjects being free of strict regulation (spontaneous order – F. Hayek). All that promotes rapid development of open economy, makes it unbalanced and results in its self-organized nature.



1890, 1929-1933, 1973-1974, 2001-2002, 2008

Totalitarian trends in Germany and Italy (1933),
the USSR (end of 20-s – beginning of 30-s),

Kampuchea (1975)

Vietnam (1976)



International differentiation of labor is the main reason and condition of world trade

1. A country imports some product from another state for the reason that it is impossible to produce this product in natural environment given.
2. A country imports some goods that can be produced inland but at a much higher costs



Basis for international differentiation of labor

- 1. The environmental and geographical difference between countries.**
- 2. Social reasons, historical and production traditions of a country.**
- 3. Scientific and technical achievements**

Position of a country in world economics.

1. **Pre-industrial society**, mainly extracting one, its economy is based on agriculture, extraction of coal, energy, gas, fishery, forestry.
2. **Industrial society**, mainly processing one, energy and machinery are used for goods production.
3. **Post-industrial society** is an entity, wherein telecommunications and computers serve the main function in production as well as information and knowledge interchange.



International specialization

International specialization is a form of labor differentiation between countries, wherein the concentration increase of uniform production in the world is performed on a basis of national production differentiation and separating the manufacturing of uniform products in excess of inland demand as independent technological processes.

production

territorial

International production cooperation

International production cooperation is the arrangement of long-term direct relations between enterprises based on specialization.

1. By type: economical cooperation, industrial collaboration, production cooperation, scientific-and-technical cooperation, cooperation in project engineering and construction, sales cooperation, cooperative collaboration in various fields of economical activities.
2. By stages: pre-production, production and commercial cooperation.
3. By relations structure: intra- and inter-companies, intra- and inter-industrial, horizontal, vertical, mixed, fractal, virtual cooperation.
4. By territory size and subjects number: bipartite and multipartite, regional, inter-regional, world cooperation.
5. By objects number: single- and multi-objective cooperation.



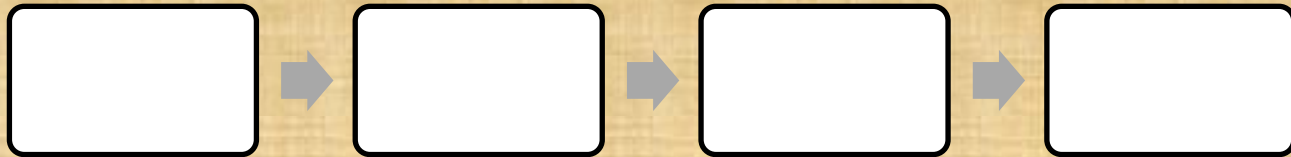
Methods

Methods of international industrial cooperation

1. Contract cooperation
2. Carrying out common projects or programs
3. Contract specialization
4. Establishment of joint ventures

The development of internationalization processes

The development of **internationalization** processes can be illustrated in general as follows:



Economy globalization involves various fields of world economy

- World trade of goods, services, technologies and the objects of intellectual property
- International movement of production factors (labor, capital, information)
- International financial-and-credit and currency transactions (non-reciprocal financing and help, credits and loans of subjects of international economic relations etc.)
- Production, scientific-and-technical, technological, engineering and information cooperation

МИР

ПОЛИТИЧЕСКАЯ КАРТА
МАСШТАБ 1 : 17 000 000
1 см = 170 км



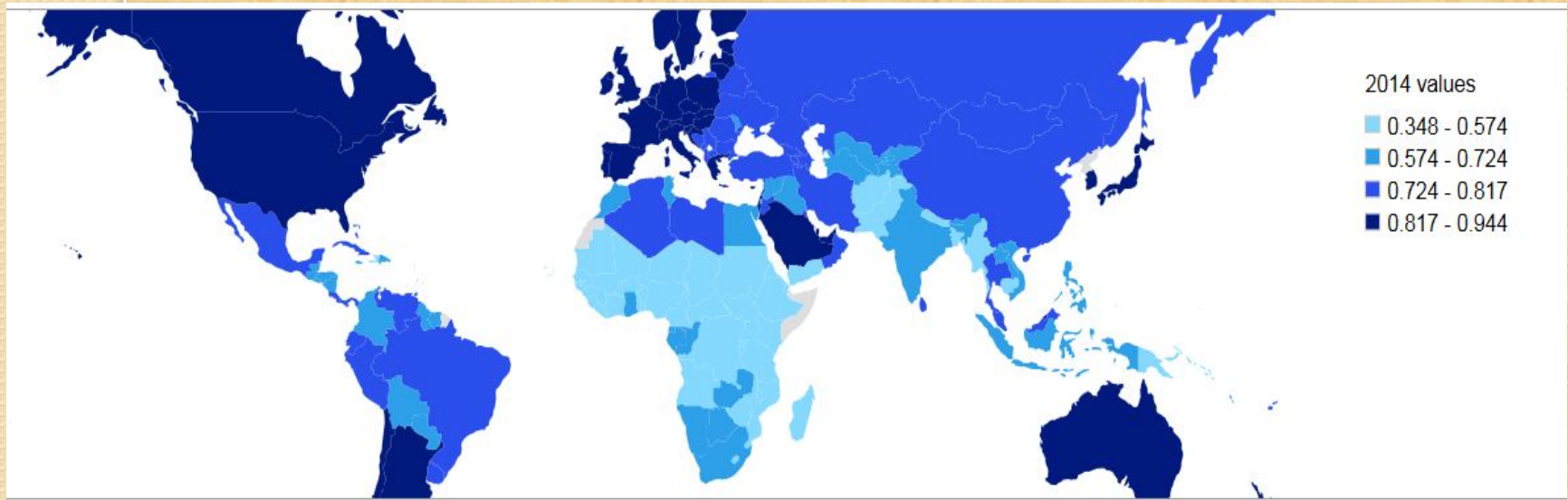
Human development index, HDI (UN).

This integral index consists of three components:

1. Life expectancy index
2. Education index, measured as combination of two values:
 - a) Adult literacy index (2/3 of the index)
 - b) Gross enrollment index (1/3 of the index)
3. Actual value of average personal income, calculated by a complex program on the basis of GDP per-capita (at purchasing power parity) and indices addressing the specifics of funds disposition in a society, in particular the proportion of income shares of 20% poorest and 20% wealthiest people, as well as the proportion of national indices and worldwide average “limit level” to ensure the normal living standard

UN specialists classification

1. Countries of a high HDI (0.8-1)
2. Countries of a moderate HDI (0.5-0.8)
3. Countries of a low HDI (0-0.5)



Range

1. **Developed (post-industrial) countries.** This group consists of about three dozens of countries in North America, Western Europe and Pacific region. These countries have a high level of economy development and population income – the USA, Canada, Japan, Germany, France, Italy, Great Britain, etc.
2. **Countries with a transition economy.** This group consists of about three dozens of countries in Central and Eastern Europe, the former USSR as well a number of Asian countries (for instance, Mongolia). These countries conduct the transition of centrally planned economy to a market one.
3. **Developing countries.** These countries form a rather inconsistent group of about 130 states. This group varies in level and rates of social and economical development as well as resource endowment of its members, therefore we shall divide it into the following sub-groups for the purpose of comprehensive analysis:
 - a) New industrial countries in South-Eastern Asia
 - b) New industrial countries in Latin America
 - c) Oil-producing countries
 - d) The least developed, the poorest countries.