

Emerging Trends in the International Trading System: An Indian Perspective

Sandhya Mishra

Abstract

In the emerging global scenario, International trade has become one of the most important factor in guiding a country's overall policy. The development of international business around the world in the recent times, has the more extensive scope of players engaged with facilitated trade negotiations among developing countries. Each country has evolved in various procedures and their respective regulations and guidelines, practices and reports so as to direct the export oriented trade. The focus has been put on to push for the export centered policies. In this exchange of goods and services, some of the critical factors consist foreign trade control guidelines, internal tax structure, custom obligation, and similarly other policies have been formulated in the wake of keeping the interest of their national targets. Developed countries are furnished with emerging technologies equipped for changing crude materials into completed products in a bulk manner. Developing countries have also put enormous efforts to make a balance between the Export-Import dynamics in order to safeguard their national interest.

The present study attempts to analyze various aspects of international trade and underline emerging trends in the given global scenario. This paper aims to cover wide range of issues pertinent to International trade system and its future directions.

Keywords: Global Scenario, International Trade, Trade Negotiations, Foreign Trade Control, Internal Tax Structure, Custom Obligation, Export-Import Dynamics, Business Efficiency, Trade Establishment, Satisfaction Level.

1. Introduction

The development of international business around the world in the recent times, has the more

extensive scope of players engaged with facilitated trade negotiations among developing countries. International Business Environment incorporates a complex mixture of the political issues, mechanical hazards, social contrasts between two countries, exchange risks, legal and taxation challenges.

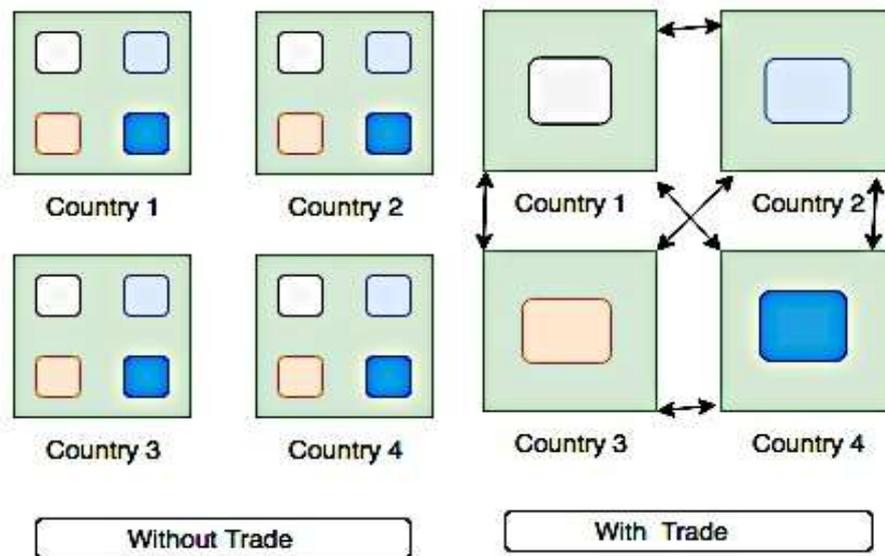


Figure 1: Economic Rationale of Trade¹

Without Trade:

- Small National Markets
- Limited Economies of Scale
- High Prices and Near Monopoly
- Limited Product Diversity

With Trade:

- Different Standards
- Increased Competition
- Economies of Scale
- Specialization
- Lower Prices
- Interdependencies

¹Refer Jean-Paul Rodrigue: "Globalization and International Trade" in the book 'The Geography of Transport System', published by Routledge, newyork, 2020: The Spatial Organization of Transportation and mobility' (https://transportgeography.org/?page_id=3919)

As can be seen above, there are innate advantages and disadvantages in the trade volumes which can positively or negatively affect a country's economy. Through the process of globalization, there has been a lot of transformations in the society that has influenced the various critical variables of international relation. Countries are getting tougher to protect their own interest.

The more extensive scope of players is associated with unhindered trade negotiations in developing countries. The main problems are different Trade Patterns followed by every other country, Regulatory Measures and various Economic Unions.

2. Globalization and International Trade

In a global economy, no country is self-reliant when it comes to explicit flows of merchandise, individuals, and data. Every country is included at various levels in trade to sell what it produces, to secure what it needs and to deliver more effectively in some monetary segments than its trade accomplices. International trade, or long-separation trade since there were no countries in the advanced sense, has existed for quite a long time. It is a significant part of human monetary and social history as old trade courses. Trade currently has a considerably active dynamic influence in the financial existence of countries and districts; however, it ought to be occurring just if there is an advantage for the partners involved.

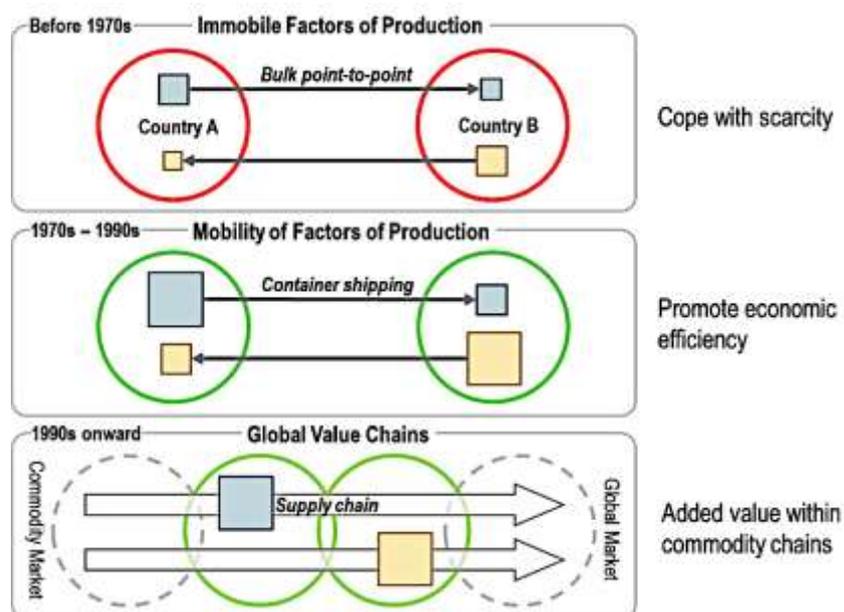


Figure 2: Changes in the Global Trade Environment²

² Refer Jean-Paul Rodrigue (2020), "Globalization and International Trade" in the book 'The Geography of Transport System', published by Routledge, New York.

Trade can be a convenience, yet additionally a need. Trade is a need when it empowers a country to procure products that would some way or another not be accessible in a national economy, for example, vitality, minerals or nourishment. However, the advantages of trade can be dependent upon conflict with a few hypothetical establishments of international trade explained to give a clarification of its method of rationale.

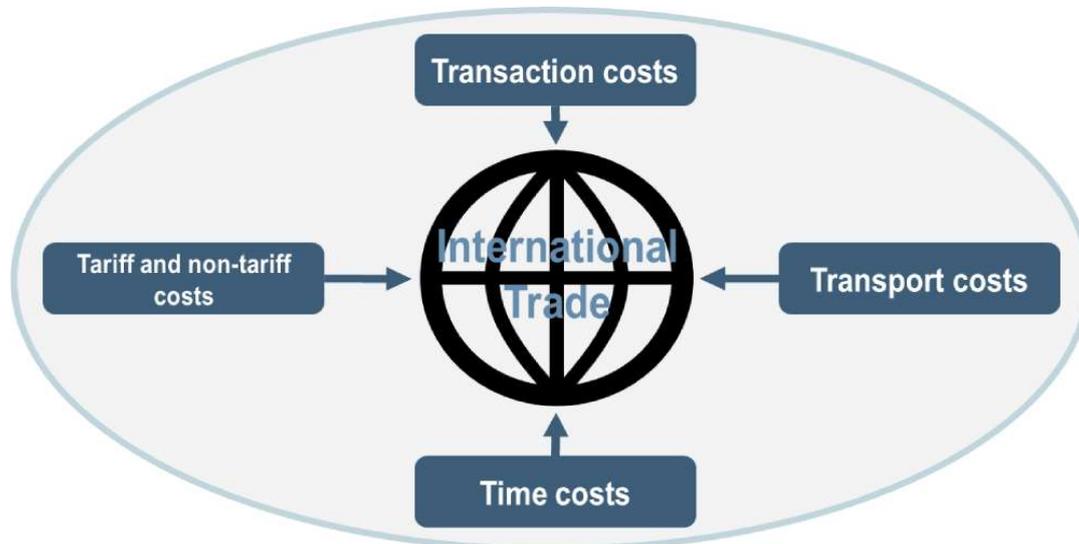


Figure 3: The "Four Ts" in International Trade³

Global proficiency would thus be able to be improved with trade as a country can engage itself in a more meaningful way by deciding what to import, export within the given circumstances.

3. Global Trade Flows

The idea of what can be viewed as international trade has changed, especially with the rise of global value chains and the trade of delegate products they include. This pattern clearly mirrors the systems of global companies situating their assembling resources so as to bring down expenses and expand new market openings. About 80% of the global trade happens inside worth chains oversaw by worldwide organizations. International trade has consequently developed at a quicker rate than global product production, with the developing multifaceted nature of circulation systems bolstered by inventory network the board rehearses. The structure of global trade streams has moved with many developing economies having developing investments in international trade with an expanding portion of assembling.

³Source: Spulber, D.F. (2007), "Global Competitive Strategy", Cambridge: Cambridge University Press.

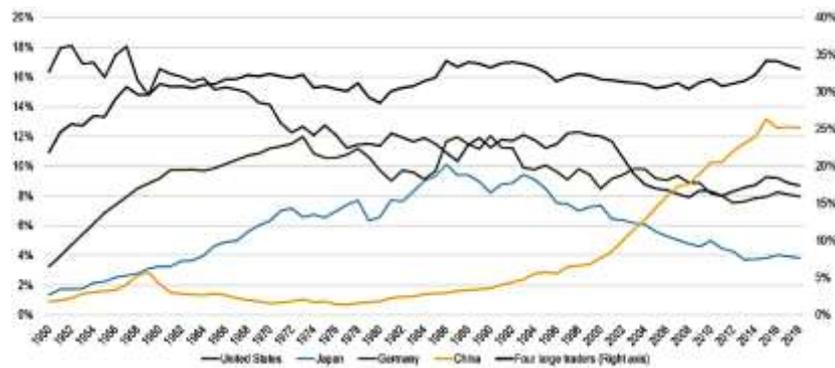


Figure 4: Share of World Goods Exports, Leading Exporters⁴

Globalization has been joined by developing progressions of produced merchandise and their developing portion of international trade. The pattern since the 1950s included a relative decrease in mass fluids, (for example, oil) and progressively dry mass and the general load being traded. As of late, the portion of fills in international trade has expanded, primarily because of rising vitality requests and costs. Another emerging trade stream concerns the expansion in the imports of assets from developing economies, in particular vitality, items, and agrarian products, which is a difference from their customary job as exporters of assets. This is characteristic of monetary expansion just as expanding ways of life. There are however critical changes in the development paces of international trade that are connected with monetary patterns of development and downturn, vacillations in the cost of crude materials, just as problematic geopolitical and money related occasions.

4. Conclusion

International trade system has been going through massive transformation owing to various factors that includes a complex mixiture of the political issues, mechanical hazards, social contrasts between two countries, exchange risks, legal and taxation challenges. In the current economic recession, the economic slowdown has been felt by all countries and this has put a lot of pressure specially on those countries which are already struggling with economic problems. The overall International trade volume is expected to dip further which is a matter of concern as it may further complicate the bilateral trade issues among countries. It has to be kept in mind that International trade system have to conform to the mutual trust, local rules and regulations in which each country operate. In the ongoing trade tussle between major economic powers and current sluggish economy, it is hoped that the International trade

⁴Refer Jean-Paul Rodrigue, (2020) "Globalization and International Trade" in the book 'The Geography of Transport System', published by Routledge, New York.

relation will get momentum but the timeline is very uncertain as it is still not clear whether the worst has been over or yet to come.

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