

Influence of trade on economy of the countries employees

Made by Dmitriy Durnev from VSU

The different countries conclude trade agreements among themselves in order to strengthen the commercial ties.



Firstly, I would like to explain why the different countries conclude trade agreements among themselves.



Secondly, I want to talk about what the countries among themselves usually trade in.



Finally, I will tell you about what effect trade renders on economy of the countries.

Decrease or increase






Where to take resources? This question interests all economists of the different countries. The country can't have all resources for production of goods therefore she tries to purchase them abroad at other countries which have this resource. They sign the trade agreement and exchange goods which are necessary for each party.



Each country participating in the trade agreement receives a resource or goods which is necessary for it. However, the country of which there is nothing to change the imported goods pays for it the sum of money determined in the agreement.

Certainly trade between the countries renders positive effect on all agreement parties. Trade increases total income of the country, promotes development of the competition between producers, increases goods quantity sold in the market and also develops the country in all main spheres.





In conclusion, I want to say that trade not only allows the countries to exchange goods and resources but also promotes consolidation of the countries for the solution of global economic problems.

Economic Problems



1. Scarcity, choice and the basic economic problem
2. Opportunity costs, allocation of resources
3. Production possibility curve and productive efficiency
4. Growth and the factors of production, land, labour, capital, enterprise; growth
5. The division of labour and specialization
6. Positive and normative statements
7. Markets versus planning, free-market system, command economy
8. Systems of ownership; capitalism and socialism
9. Economic models



Thanks for your
attention.