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Class - B.A - II

□ Gain from International trade: —

The benefits that can be identified with reference to international trade are as follows: —

International trade allows countries to exchange goods and services with the use of money as a medium of exchange. The benefits of international trade have been the major drivers of growth for the last half of the 20th century.

Nations with strong international trade have become prosperous and have the power to control their

world economy. The global trade can become one of the major contributors to the reduction of poverty.

Several benefits that can be identified with reference to International Trade are as follows-

1) Greater Variety of goods available for consumption :-

International trade brings in different varieties of a particular product from different countries. This gives consumers a wide

array of choice which will not only improve their quality of life but as a whole it will help the country grow.

2) Efficient allocation and better utilization of resources:-

Efficient allocation and better utilization of resources Since countries tend to produce goods in which they have a comparative advantage when countries produce through comparative advantage, wasteful duplication of resources is prevented. It helps save the environment from harmful gases, being leaked into the atmosphere.

and also provides countries with a better marketing power.

3) promotes efficiency in production:-
International trade promotes efficiency in production as countries will try to adopt better method of production to keep cost down in order to remain competitive. Countries that can produce a product at lowest possible cost will be able to gain larger share in the market.

Therefore an incentive to produce arises. This will help to increase the standards of the