

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

product and consumers will have a good quality product to consume.

4) More employment : —

More employment could be generated as the market for the country's goods widens through trade. International trade helps generate more employment through the establishment of newer industries to cater to the demands of various countries.

This will help countries to bring down their unemployment rates.

5) Consumption at Cheaper Cost : —

International trade enabled a country to consume things which

either cannot be produced within its border or production may cost very high. Therefore it becomes cost cheaper to import from other countries through foreign trade.

6) Reduces trade fluctuations:—

By making the size of the market large with supplied and extensive demand, international trade reduces trade fluctuations. If the prices of goods tend to remain more stable.

7) Utilization of surplus produce:—  
International trade enables different —

Countries to sell their surplus products to other countries and earn foreign exchange.

2) Fosters peace and goodwill:—

International trade fosters peace, goodwill, and mutual understanding among nations. Economic interdependence of countries often leads to close cultural relationships and thus avoids wars between them.

for and  
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