

1. International trade is referred to as the exchange or trade of goods and services between different nations. This kind of trade contributes and increases the world economy. The most commonly traded commodities are television sets, clothes, machinery, capital goods, food, and raw material, etc.,

International trade has increased exceptionally that includes services such as foreign transportation, travel and tourism, banking, warehousing, communication, advertising, and distribution and advertising. Other equally important developments are the increase in foreign investments and production of foreign goods and services in an international country. This foreign investments and production will help companies to come closer to their international customers and therefore serve them with goods and services at a very low rate.

Reasons for International Trade

(1) Production

- It is not possible for a single country to produce equally at a cheap cost.
- That is why international trade is taken into account.

(2) Factors of Production

- Factors of production like labour, capital raw material,
- For producing goods & services which are available at different rates in different countries.

(3) Cost of Production

- Each country finds it advantageous to produce only those goods & services
- That it can produce efficiently.
- Rest of the activities is rest to other countries at a lower cost.

(4) Resources Distribution

- Many of the times companies face problems in the availability of natural resources.
- There is an unequal distribution of the resources in the country.

(5) Examples

- Different countries are specialized in different sectors like
- In India, Maharashtra is involved in textiles, West Bengal in jute products, Haryana and Punjab in food products, Kerala in spices, etc.

Importance of International Trade

International trade between various nations is an essential factor that is responsible for the increase in the standard of living, creating employment and empowering consumers to enjoy different kinds of goods. Few other important factors that are influenced by the International Trade are:

Utilization of raw materials- Some countries are naturally blessed with an abundance of raw materials, for example, Qatar for oil, Iceland for metals and fish (Iceland), etc. Without international trade, these countries would never benefit from their natural resources or raw materials.

Greater choice for consumers- More international trade results in more choices of products.
Specialization and economies of scale – greater

efficiency- This means that it doesn't matter what a country is specialized in, the essential thing is to pursue a specialization that allows companies to make a profit that outweighs most of the other factors.

Global growth and economic development- International trade influences economic growth of a country. This increase also leads to the reduction of poverty levels.

2. Tourism, as a service industry, plays an important role in the development of many countries and has been expanding significantly in recent years. This expansion subsequently yields several benefits for related businesses, such as hotels and resorts, travel agencies, restaurants, and souvenir shops. These businesses attract foreign money and generate income that is then distributed throughout the country.

Recently, tourism is the most popular way in the world for international trade. People can get easily get money both of country because if people travel in a foreign country they can buy some traditional items, food and clothes by the way people they both do tourism and trade. Leaders want to develop their country. There are lots of different ways but tourism is very important. Tourism is complex, tourism include many facts such as tourism focus on the customer's satisfaction, safety and enjoyment so we can say tourism is not only travel and holiday. In addition people can relax and have fun by tourism so there is improving welfare and more efficiently own country. Countries need to improve their economy because in this world in each second you should improve yourself. Conclusion, international trade and tourism effects each other, it's very significantly for the developing countries.