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**COLLEGE: SOCIAL AND MANAGEMENT SCIENCES.**

**COURSE TITLE: WORD NATURAL TRADE.**

**COURSE CODE: TEM 204.**

**ASSIGNMENT QUESTIONS:**

1 critically examine the scope and concept of international trade.

2 appraise the importance of international trade toward tourism development.

ANSWER:

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. International trade is the exchange of capital, goods, and services across international borders or territories.

International Trade refers to the exchange of products and services from one country to another. In other words, imports and exports. International trade consists of goods and services moving in two directions: 1. Imports: coming into a country from abroad or overseas. 2. Exports: coming out of a country and sold overseas. International trade allows countries to expand their markets for both goods and services that otherwise may not have been available domestically.

**Advantages of international trade**

**1 Comparative Advantage:** trade encourages a nation to specialize in producing or supplying only those goods and services which it can deliver more effectively and at the best price, after taking into account opportunity cost.

**2 Economies of Scale:** if you sell your goods globally, you will have to produce more than if you sold just domestically. Producing in higher volumes provides greater economies of scale. In other words, the cost of producing each item is lower.

**3 Competition:** international trade boosts competition. This, in turn, is good for prices and quality. If suppliers have to compete more, they will work harder to sell at the lowest price and best quality possible. Consumers benefit by having more choice, more money left over, and top-quality goods.

**4** **Transfer of Technology:** increases thanks to international trade. Transfer of technology goes from the originator to a secondary user. In fact, that secondary user is often a developing nation.

**5 Jobs:** great trading nations such as Japan, Germany, the UK, the USA, and South Korea have one thing in common. They have much lower levels of unemployment than protectionist countries.

**Disadvantages of International Trade:**

**1 Over-Specialization:** employees might lose their jobs in large numbers if global demand for a product declines.

**2** **New Companies:** it much harder to grow if they have to compete against giant foreign firms.

**3** **National Security:** if a country is totally dependent on imports for strategic industries, it is at risk of being held to ransom by the exporter. Strategic industries include food, energy and military equipment.

**4** Blocking trade harms the economy

**BENEFITS OF INTERNATIONAL TRADE:**

1 Greater Variety of Goods Available for Consumption

2 Efficient Allocation and Better Utilization of Resources

3 Promotes Efficiency in Production

4 More Employment

1. Reduces Trade Fluctuations

**Importance of trade**

1 Make use of abundant raw materials

2 Greater choice for consumers

3 Global growth and economic development

4 export diversification.

5 improvement of quality.

2 **THE IMPORTANCE OF TRADE TO TOURISM DEVELOPMENT:**

Tourism is growing at a faster rate than the overall economy, it is clearly an important driver of employment and economic growth. As such, tourism and international trade are determining factors in achieving the goals of the Agenda for Sustainable Development. The European Economic and Social Committee therefore proposes that the stakeholders responsible in the economic sectors concerned be explicitly involved in achieving the SDGs through relevant statements of commitment. The EESC draws attention to the importance of financial planning for implementing political priorities and underlines the significance of budgets as the most efficient means of implementing policy.The relatively low barriers to market entry in the tourism sector must not be economically and socially detrimental to those working in tourism. Since it is clear that international tourism, aside from being important economically, also plays a significant role in promoting understanding among peoples and breaking down prejudices and therefore strongly supports the external impact of the EU, particular forms of tourism such as cultural tourism and social tourism should be supported through specific measures. Furthermore, the EESC draws attention to the need to promote tourism relating to health, sport, agriculture, the environment and other.

**How international trade helps in tourism:**

1. Increased revenues
2. Decreased competition
3. Easier cash-flow management
4. Easier cash-flow management
5. Opportunity to specialize