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DEPARTMENT: TOURISM AND EVENTS MANAGEMENT

COURSE: TEM 204: WORLD NATURAL RESOURCES AND TRADE 2

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1. International trade is the exchange of capital, goods, and services across international borders or territories because there is a need or want of goods or services. In most countries, such trade represents a significant share of gross domestic product (GDP). While international trade has existed throughout history (for example Uttarapatha, Silk Road, Amber Road, scramble for Africa, Atlantic slave trade, salt roads), its economic, social, and political importance has been on the rise in recent centuries. Trading globally gives consumers and countries the opportunity to be exposed to goods and services not available in their own countries, or which would be more expensive domestically. There are three types of international trade: Export Trade, Import Trade and Entrepot Trade.

 IMPORTANCE OF INTERNATIONAL TRADE TO TOURISM DEVELOPMENT

1. Apart from international tourism, international trade (imports and exports) significantly contributes to the economic growth of a nation. Directly associated with the agricultural and industrial sectors, international trade is also linked to the service sector, including international tourism.
2. International trade encourages a country to develop essential infrastructure, for example, transportation and communication systems. Improvement of infrastructure in turn helps attract more tourists.
3. International trade stimulates business travel (Turner & Witt, 2001) and contributes to networking at the individual, business, and national levels. Besides this, international trade bolsters a network effect, which reduces international transaction costs as well as promoting travel and exchanges among countries.
4. International trade boosts product advertisements that attract consumers' attention and create awareness of both a product and its country of origin. Accordingly, consumers' attention and recognition stimulate the desire to travel to the home country of that product.