

Global Economy

Name:

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World Trade Barriers and the Global Economy

Over the recent years, the world has been connected more than ever before. The interconnection has been fueled by mainly lifting trading barriers and formation of regional trading blocs that have boosted international trade. Trade barriers are abolishing leads to increased capital outflow (Turner, 1991). Capital flow has enhanced globalization through enabling investors to transcend boundaries and set up businesses.

Lifting trade barriers enables goods and services to be competitive on a regional and global scale thus leading to globalization. New markets open up and demand increases when trade barriers are dissolved, and investors are allowed to venture into new markets abroad. When trade barriers are lifted, investment opportunities come up within those countries and investors go beyond borders to places with more favorable terms. Investors can avoid unfavorable trade policies in their countries or neighboring countries and move their ideas, capital and skills to countries with flexible or more favorable economic conditions for their businesses to thrive.

Trade barriers also facilitate free movement of labor and goods. Workers can work anywhere around the globe with minimal or no restrictions. Reallocation of resources brought by lifting trade barriers enhances production, performance, and improved quality while reducing the cost of production. Abolishment of trade barriers also boosts international trade as more favorable policies governing the trade are passed and implemented while 'regressive' to the global economy are lifted. It supports other industries like transport industry which relocates raw materials, goods, labor and services across the planet to their destination.

Technology also plays a critical part in the growth of global economy. Technology flow supported by the lifting of trade barriers boost quality and quantity of goods production. Lifting trade barriers helps spread of technology and growth of global economy.

Work Cited

Turner, C. G. (1991). *Japan's Dynamic Efficiency in the Global Market: Trade, Investment, and Economic Growth*. Quorum Books.