

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the slide, framing the central text. The overall aesthetic is clean and modern.

# Globalisation and international trade

- ▶ “Globalisation” can mean many things, but what lay in particular doubt was the long-advanced project of increasing free trade in goods across borders.

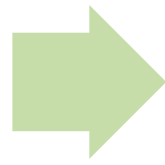
# The Flows of Globalization

Freight (trade)

Passengers (migration)

Information (telecommunications)

**globalization  
of production**



**globalization  
of trade**

# Global Trade at a Threshold

**ongoing growth of international trade**


**containerization of commercial flows**

**trade of emerging economies**

**multinational corporations as vectors  
for international trade**

# *International Trade*



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- ▶ International trade demonstrates the extent of globalization with increased spatial interdependencies between elements of the global economy and their level of integration.

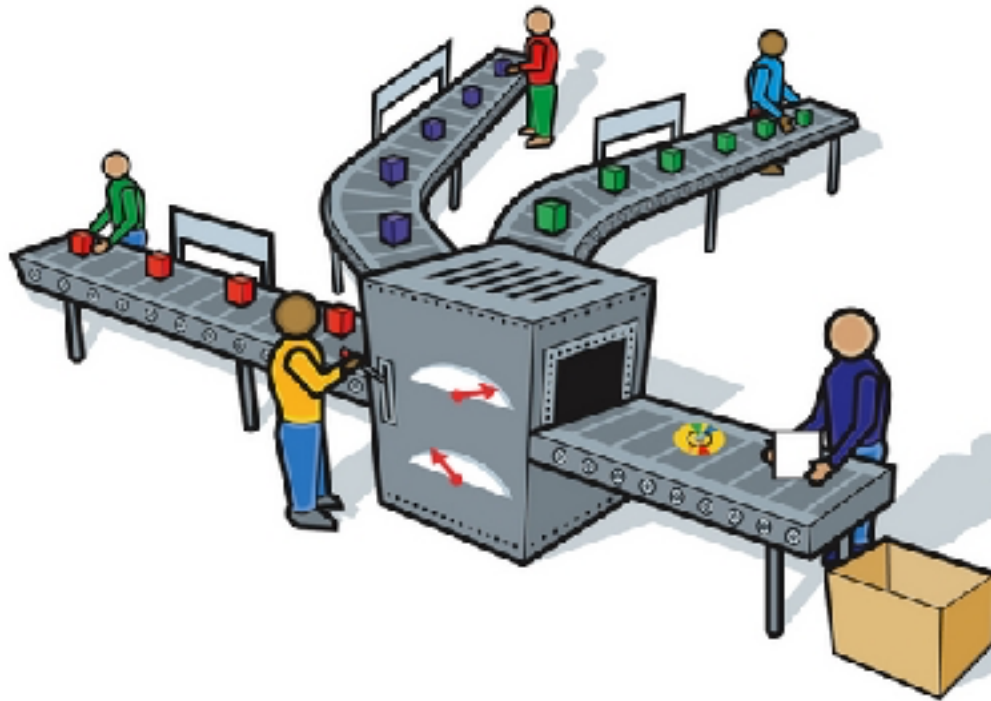
# The Setting of the Contemporary Global Trade System



The emergence of the current structure of global trade can mainly be articulated within three major phases:

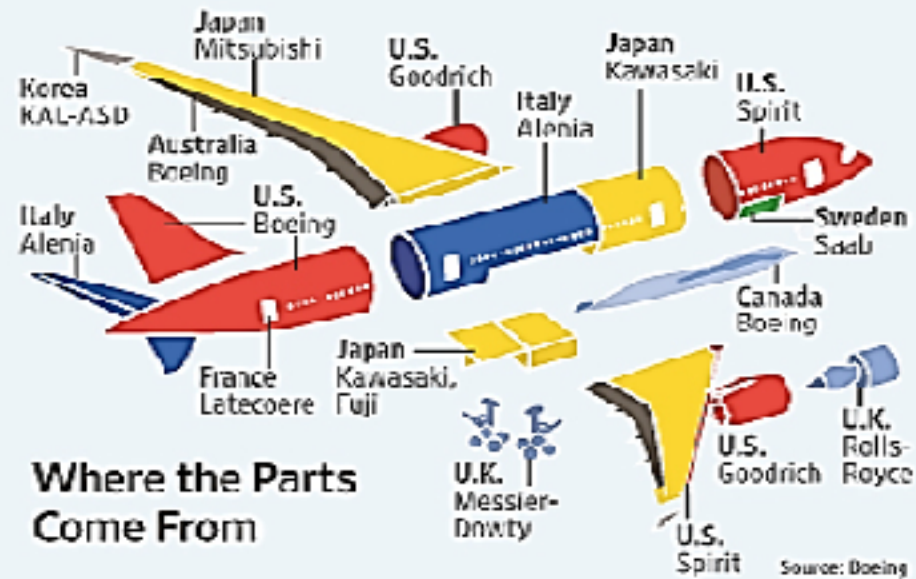
- 1. First phase (immobile factors of production)**
- 2. Second phase (mobility of factors of production)**
- 3. Third phase (global production networks)**

# Immobile factors of production



# Global production networks

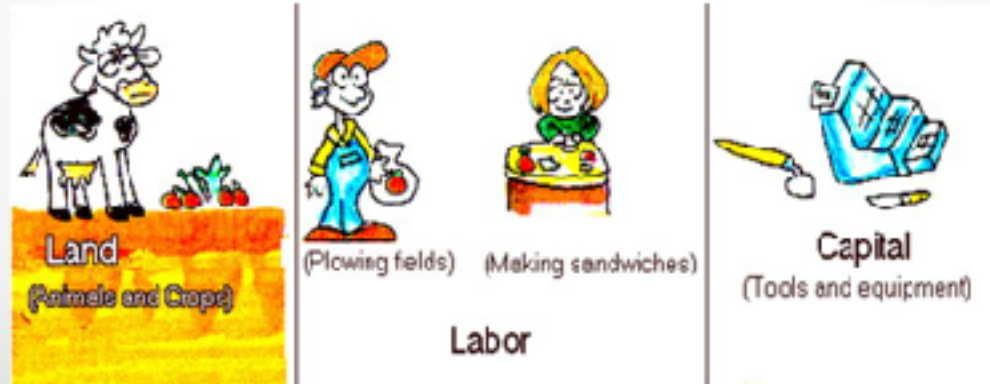
## BOEING 787 - MADE IN THE WORLD





Source: Premachandra Athukorala/Boeing

# Mobility of factors of production

## Factors of Production



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- ▶ The global economic system is thus characterized by a growing level of integrated services, finance, retail, manufacturing and nonetheless distribution, which in turn is mainly the outcome of **improved transport and logistics**, a more efficient exploitation of regional **comparative advantages** and a **transactional environment** supportive of the legal and financial complexities of global trade

# Trade Costs and Facilitation



**Trade  
Facilitation**



Trade costs are derived from two main sources:

- ▶ *Separation factors*
- ▶ *Country specific factors*



## Trade facilitation frameworks

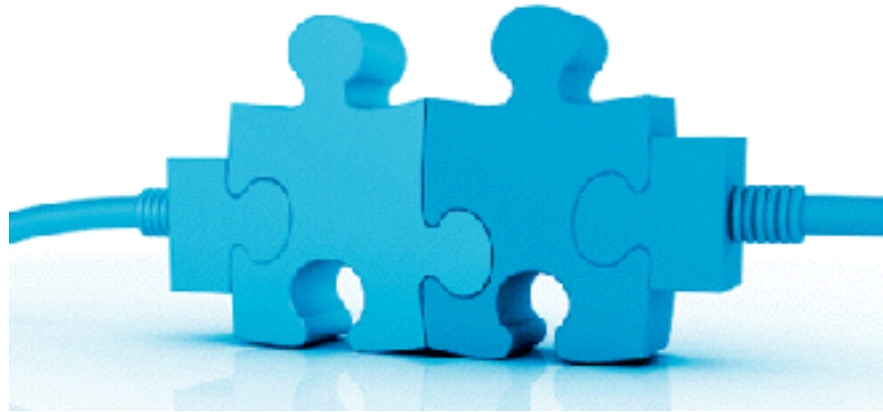
- ▶ **Distribution-based**
- ▶ **Integration-based**
- ▶ **Transaction-based**



# Distribution-based

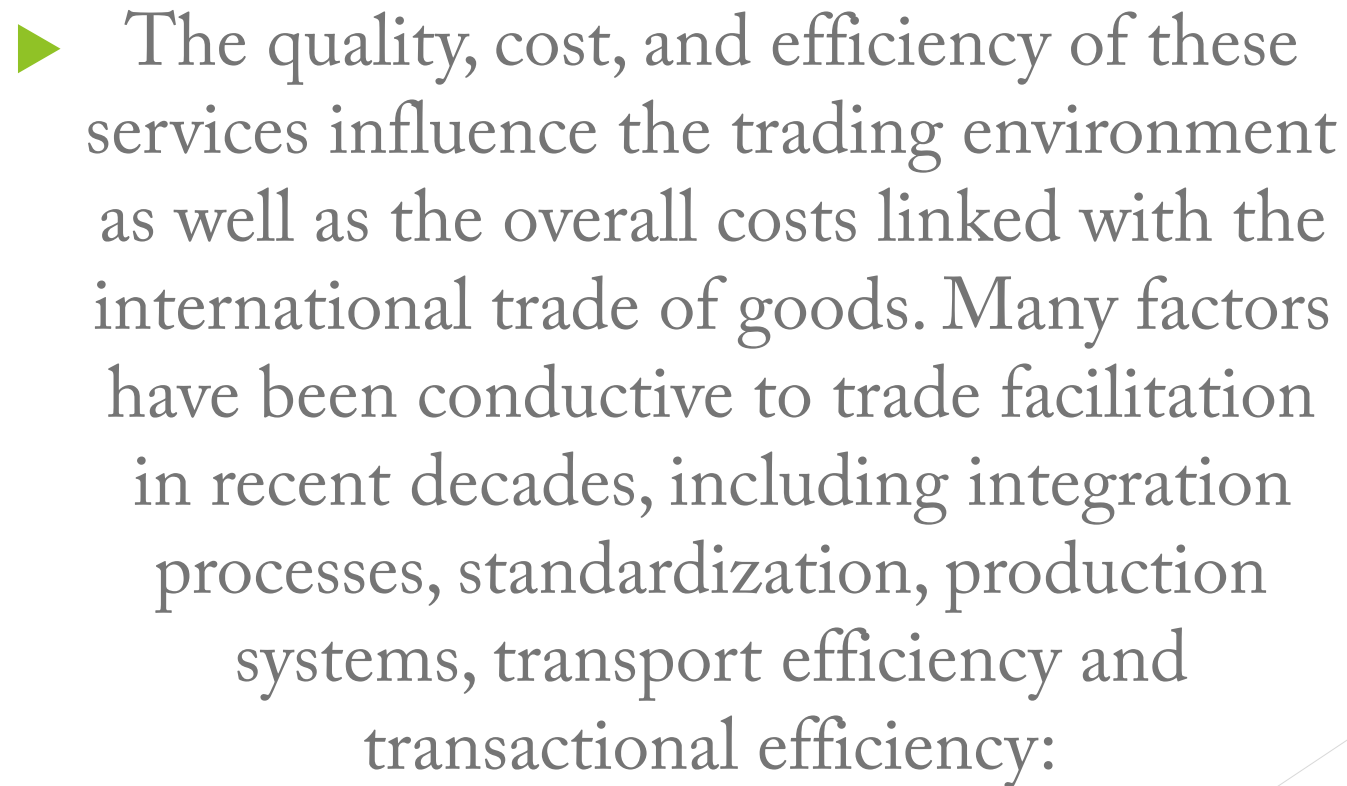


# Integration-based



# Transaction-based



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- ▶ The quality, cost, and efficiency of these services influence the trading environment as well as the overall costs linked with the international trade of goods. Many factors have been conducive to trade facilitation in recent decades, including integration processes, standardization, production systems, transport efficiency and transactional efficiency:

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- ▶ **Integration processes**, such as the emergence of economic blocks and the decrease of tariffs at a global scale through agreements, promoted trade as **regulatory regimes** were harmonized.

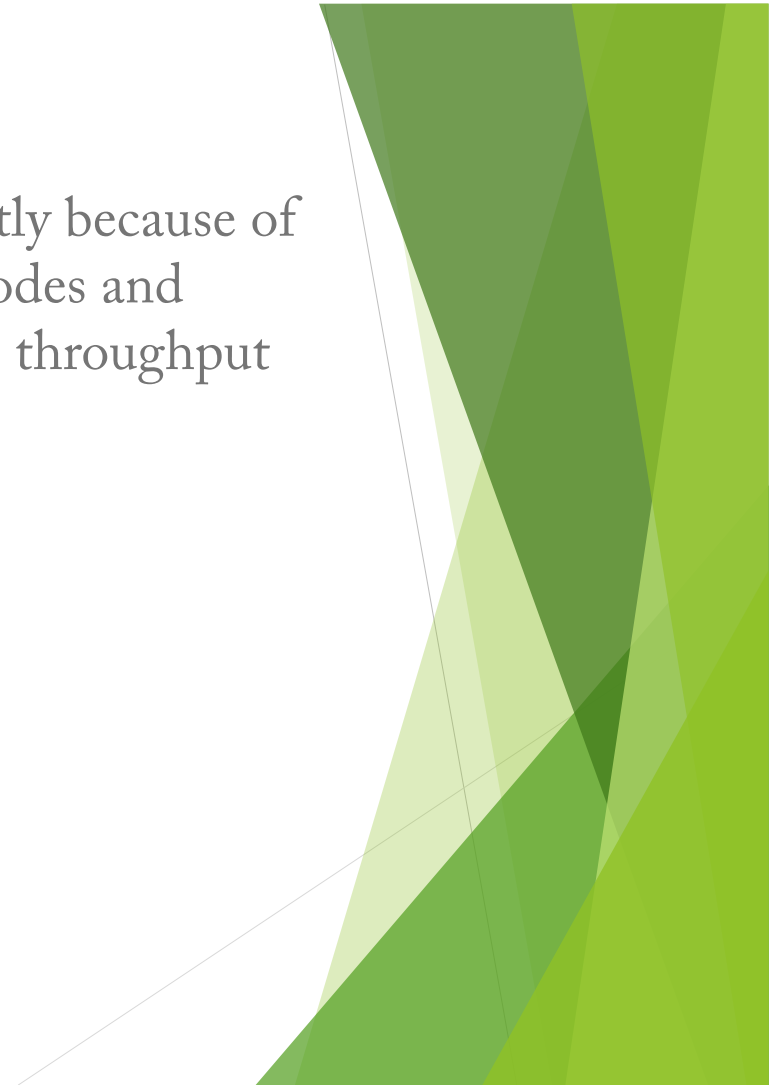
- ▶ **Standardization** concerns the setting of a common and ubiquitous frame of reference over information and physical flows.



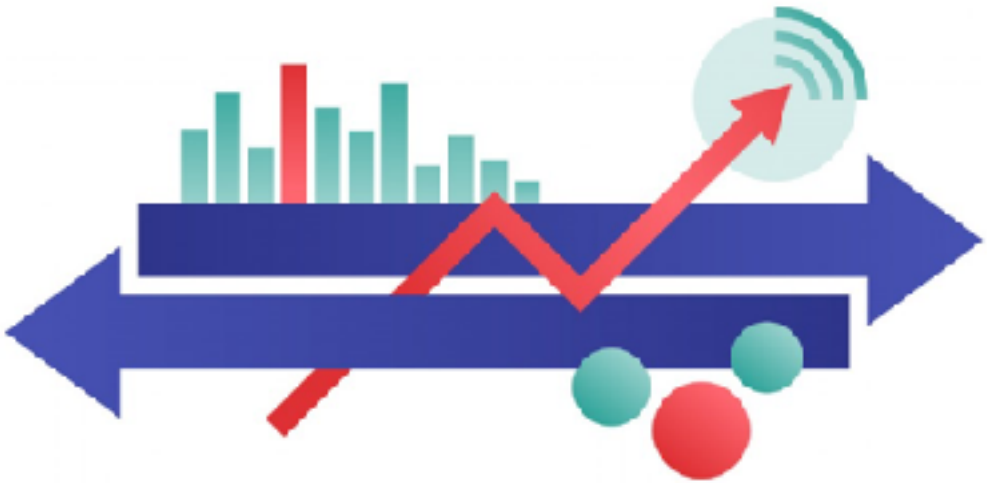
**Production systems** are more  
flexible and embedded



**Transport efficiency** has increased significantly because of innovations and improvements in the modes and infrastructures in terms of their capacity and throughput



# Transactional efficiency



# Global Trade Flows



# Neo-mercantilism



# Regionalization

