

Q.8 Discuss various factors which are responsible for growth in International Business. Give the importance of getting from International trade.

Growth in International Business:-

Below are some of these reasons

i) Saturation of Domestic Market

In most of the countries due to continuous production of similar products over the years has led to the saturation of Domestic Market.

ii) opportunities in foreign market.

As Domestic Market in some countries have saturated there are many developing countries where these markets are blooming. Also countries that are attaining economic growth are demanding new goods and services at unprecedented levels.

iii) Competitive Reasons

Either to stem the increased presence of foreign companies in their own Domestic Market or to counter the expansion of their Domestic Markets more and more

of foreign nations.

iv) Competitive Reasons

Consumers in Countries that did not have the purchasing power to acquire high-quality products are now purchasing them due to improved economic conditions.

v) Diversification

To counter cyclical patterns of business in different parts of the world most of the companies expand the diversity of their business to attain profitability and uncover new markets.

Importance of International Trade

- i) to maximize its exports and increase its market share in the world.
- ii) to grow small scale industries
- iii) to encourage entrepreneurs
- iv) to improve image and credibility
- v) to increase their geographical reach in different countries and get foreign exchange.