

## The role of International Trade in the developing countries

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### Key Words

International trade, developing countries, industrial countries, growth, development, consumers, petroleum input, commercial transactions, legal obstacles, economical obstacles, commercial law, economy.

### Abstract

*International trade is important between countries. Since the countries give it the priority in its development plans, especially it refreshes the gross domestic product (GPD). In general, international trade is the exchange of goods and services across borders and different regions, and it represents a large share of the GDP in different countries.*

*International trade is more significant in the advanced industrial countries that possess a strong economy, because the consumers have the ability to easily buy basic products. On the other hand, there are some countries that do not have the consumers' needs, which apply to the developing countries. Therefore, the developing countries are seeking to import from other countries the basic products, such as; food, clothes, fuel...etc. in the most economical price. Keeping into account, its economy, and not overloading the domestic market with imported products.*

*This study is going to clarify the role and importance of the international trade in the developing countries, and how different countries collaborate commercially in the benefit of all parties. Also, we will focus on the significance of free or restricted trade; in particular, we can note that the trade across borders is an ideal method of trading.*

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### Introduction

The trade plays a major role in the economical life, especially it is the leading the global economic growth. In general, the trade is seeking to achieve the final goal through the well being of people in the developing countries, in regards of commercial liberal policies.

In addition, the trade's importance appears when the people of the developing countries have the right of choice. Therefore, the export of these countries is not the only criteria for its growth. Furthermore, there are many developing countries especially in the middle east have used the trade properly, which will get benefit to these countries in terms of growth and development. On the other hand, some of the developing countries have misused the commercial liberal policies, and therefore did not achieve the required benefit.

### Objectives

This study focus on the following points: The importance of the international trade in the developing countries, and its economical effects. And the obstacles facing the developing countries in international trade.

The importance of the international trade in the developing countries and its economical effects in general, the international trade is leading the growth and development in the developing countries. This fact differs from one country to another, because some of these countries have achieved a huge progress in both aspects; commercial and growth. However, some developing countries are trying to advance their commercial conditions, especially, there are many obstacles facing these countries. It is quite important to find solutions for these challenges, for instance, the governments should elevate the commercial restrictions, and broaden the scope of the international trade. Consequently, facilitating the commercial connections between importers and exporters, also this will improve the economical growth in the countries and recover the quality of life in the developing countries.

In this sense, the developing countries cannot exclude some commercial restrictions and at the same time producing others. However, these countries can modify the commercial restrictions applied already in a manner that its growth. So, the governments of these countries should make a huge effort that suits the global economical changes.

The importance of the international trade in the developing countries appears when the commercial exchange with the other countries of the world increases. The increase of the commercial international exchange value will increase the demand of the products in the developing country especially in the essential products. The positive effects of the international trade make a stronger economical investment. The consumers have a multi choice of products and services with competitive prices and high quality. The consumers will have more trust on the products; especially the commercial fraud on prices will be less because there are some rules applied to limit it. In addition the international trades freedom and is helping is helping to avoid monopoly of the products. The companies' competition will increase as a result of the freedom of the international trade. This competition improves the quality of the companies which will eventually lead to the development the domestic economy in the developing countries. This competition also improves the products within these countries<sup>5</sup>. Furthermore, some of the developing countries fear the effects of the freedom of the international trade on the domestic economy. The domestic economy of these countries cannot compete with the industrial economy. Consequently, the economy of the developing countries will lead to the collapse of the industry in these countries. The growth of some developing countries depends on the petroleum input; these countries are producing and exporting petroleum products, so it increases their import of raw materials and consumables. Consequently, these countries should find other resources to support their economy. Hence, we have to mention that the technological development and telecommunication supports the international trade in the developing countries. The technological development leads to the freedom of international trade. Finally, international trade restrictions had affected the development of the developing countries.

### **The obstacles facing the developing countries in international trade**

As mentioned the importance of the international trade benefit both industrial countries and developing countries. This importance increase internationally. On the other hand, there are some obstacles and challenges affects the international trade, for example: political, legal and economical obstacles.

As known the international trade international trade is the exchange of goods and services across borders and different regions, and it represents a large share of the GDP in different countries. We will give a brief explanation of the economical and legal obstacles on the developing countries: the legal obstacle could affect the international trade especially the legal systems in these countries vary; therefore, this causes negative effects on the commercial international transactions. Consequently, world countries have created some rules applied on the international commercial relations.

The solution of the legal obstacle could also apply when the countries expose some laws and undertake a transparent process to support their economy. The developing countries should create their procedure based on fair and transparent procedures, so that can support the international and local investments. In other terms, the success of international trade depends on the enforcement of some laws and procedures that matches with the international trade.

### **Conclusion**

This study have achieved some results and recommendations

### **Results**

- the international trade is considered as a resource of growth and development on the industrial and developing countries. The restrictions of the international trade affect negatively the developing countries.

- the international trade improves the economy in the developing countries. On the other hand the freedom of international trade causes negative results; especially the developing countries' companies could not compete with industrial countries companies.
- the challenges facing the developing countries depend on the strength of their economy, taking into consideration some legal, economical and political aspects. Hence, these countries should apply a balanced economical strategy to avoid the negative effects on their economy.
- the international trade is facing some obstacles in the developing countries for example: legal, economical and political obstacles. These obstacles cause negative effects on the international trade.

### **Recommendations**

- The developing countries should apply the freedom on the international trade. However, these countries have to create an economically balance.
- The developing countries are invited to find various resources to support their national economy, especially the countries that their growth depends mostly on the petroleum input.
- The government of the developing countries has to find solutions for the obstacles facing the international trade, for example implementing laws and procedures.
- The developing countries are recommended to develop their commercial laws.
- The developing countries have to create national holding companies to improve their national economy.

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