

Examining the Trends and Influencing Factors of International Trade in the Era of New Economic Globalization

Ran Du*

Széchenyi István University, 9026 Győr, Egyetem tér 1, Hungary

*Corresponding author: Ran Du, duran2021du@outlook.com

Copyright: © 2023 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

Abstract: In the context of the new era of economic globalization, the development of international trade holds immense significance in fostering global economic recovery and advancing the process of global economic integration. Against this backdrop, aspects such as trade liberalization, digital trade, trade in services, and the influence of multinational companies are becoming increasingly prominent. Concurrently, factors encompassing economic, political, technological, and environmental considerations, as well as regional economic integration, will exert influence on the trajectory of international trade development. This paper aims to comprehensively explore the development trends of international trade and the myriad influencing factors within the framework of the new economic globalization.

Keywords: New economic globalization; International trade; Trade liberalization

Online publication: December 22, 2023

1. Introduction

In recent years, with the deepening development of economic globalization, international trade has emerged as a pivotal force driving world economic growth. Against the backdrop of the new economic globalization, the development trend of international trade has manifested numerous new features, including the continued evolution of trade liberalization and the robust expansion of digital trade. Simultaneously, economic, political, technological, environmental, and regional economic integration factors exert significant influence on the trajectory of international trade development.

2. The importance of international trade development in the context of new economic globalization

Amid the new economic globalization, the development of international trade assumes heightened significance, facilitating the efficient allocation of resources and fostering deep economic integration among nations. International trade sparks competition and innovation, offering enterprises access to expansive markets and

abundant raw materials, playing a central role in constructing global value chains. Concurrently, trade propels the swift dissemination of technology and information, boosting production efficiency, nurturing the emergence of new industries, and providing avenues for industrialization and modernization in developing countries. Furthermore, international trade expands exports, stimulates increased employment and income, and elevates living standards. Nevertheless, globalization introduces challenges, such as escalating trade protectionism, heightened uncertainty in the international market, and the fragility of global supply chains. Addressing these challenges necessitates international collaboration to establish a fair and rational multilateral trading system while promoting the transparency and inclusiveness of trade policies ^[1]. Propelled by digital and information technology, international trade has undergone a transformation, with digital trade emerging as a new driver of growth.

3. Development trend of international trade under the background of new economic globalization

3.1. The deepening trend of trade liberalization in the new economic globalization

Fueled by the dynamics of new economic globalization, trade liberalization is undergoing further deepening. This is evident in the positive advancements of multilateral trade negotiations and the increasing proliferation of regional trade agreements. Noteworthy examples include the establishment of multilateral trading systems such as the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), which has significantly facilitated the smooth flow of trade among member states. These agreements have strengthened market access and investment liberalization by reducing or eliminating tariff and non-tariff barriers. Additionally, they address emerging issues such as the protection of intellectual property rights, e-commerce, and government procurement, contributing to the modernization of global trade rules. Furthermore, trade liberalization creates opportunities for developing countries to access larger markets, aiding their integration into the global economy and enhancing export competitiveness.

3.2. Future growth trajectory of digital trade

The development trend of digital trade in the new economic globalization indicates rapid growth, positioning it as the primary force propelling innovation and reform in international trade. The widespread application of digital technologies, including artificial intelligence (AI), big data, and cloud computing, has not only transformed the production and distribution of traditional goods and services but has also given rise to new trade models and business opportunities. The surge of e-commerce has significantly lowered the costs and barriers associated with cross-border transactions, providing small and medium-sized enterprises with global market access. The cross-border flow of data and the transaction of digital content have heightened the demand for data protection and cybersecurity, leading to the formation of relevant international rules and standards. In response, governments and international organizations are actively exploring policies and frameworks to align with the development of digital trade, with the aim of fostering the healthy growth of the digital economy while safeguarding consumer rights and promoting data privacy protection ^[2]. The flourishing development of digital trade signals the onset of a new era characterized by greater interconnectedness and innovation-driven global trade.

3.3. Rising strategic position in the growth of trade in services

As the global economic structure undergoes transformation, the significance of service trade continues to escalate, emerging as a pivotal driver of international trade growth. In the realm of new economic globalization,

the expansion of trade in services transcends traditional sectors such as tourism, transportation, and insurance, encompassing high value-added industries such as finance, education, healthcare, culture, and professional services. Technological advances, particularly in the field of information and communication technology (ICT), facilitate the cross-border delivery of services, providing technical support and a platform for the internationalization of service trade. Moreover, the development of trade in services stimulates industrial upgrading and fosters high-quality economic development, playing a central role in enhancing national competitiveness. Simultaneously, the openness and international cooperation of trade in services pose new challenges to the global economic governance system ^[3]. Addressing issues such as intellectual property protection and optimizing the regulatory environment for trade in services requires collaborative efforts from the international community.

3.4. Transnational companies' greater role in promoting trade

In the era of new economic globalization, multinational corporations, positioned as key players in international trade, have assumed an increasingly prominent role in propelling global trade. Through cross-border production and the strategic layout of global supply chains, these companies not only facilitate the cross-border flows of goods and services but also play a pivotal role in advancing technology transfer, capital flow, and the efficiency of global resource allocation. By establishing branches in various countries through outward direct investment (ODI), multinational companies contribute to accelerating the industrialization process, creating employment opportunities, and cultivating local talents, thereby enhancing the competitiveness of local economies. Additionally, the expansion of global value chains enables the production processes of products and services to span multinational boundaries, intensifying the interdependence of national economies. In managing supply chains optimally, multinational companies enhance operational efficiency, reduce costs, and improve product competitiveness through economies of scale in this process.

4. Factors affecting the development trend of international trade

4.1. Influence of economic factors on international trade

The development trend of international trade is shaped by numerous economic factors. Among these, fluctuations in the global macroeconomic landscape, including the economic growth rate, exchange rate variations, inflation, and interest rate level, exert a significant impact on trade flows and structures. With the deepening integration of the global economy, regional economic cooperation and development further propel international trade. Examples include the integration of regional economies such as the European Union and the North American Free Trade Agreement, fostering trade growth among member states ^[4]. Additionally, changes in international commodity prices, especially for export-dependent economies heavily reliant on commodities such as crude oil, assume paramount importance. Adjustments in the terms of trade, such as modifications to tariff and non-tariff barriers, and the stability of international financial markets, directly influence the costs and benefits associated with cross-border trade. Economic policies, encompassing the formulation and implementation of monetary, fiscal, and trade policies, decisively shape the international trade environment. Lastly, shifts in domestic and foreign demand, changes in consumer preferences, and alterations in demographic structures indirectly impact the development of international trade by altering the dynamics between supply and demand.

4.2. Influence of political factors on international trade

Political factors play a pivotal role in the development of international trade. Political stability serves as the

foundation for the growth of international investment and trade, while political upheavals may result in a reduction or restructuring of trade activity. Businesses and investors typically favor countries with stable political environments. Geopolitical changes, such as regional conflicts, sanctions, and trade wars, can significantly alter the trade patterns of specific countries or regions. The evolution of international relations, particularly those between major economies, profoundly influences the formulation of global trade policies and rules. Complex political dynamics, such as the reform of the multilateral trading system and the negotiation of bilateral and regional free trade agreements, shape the landscape of international trade ^[5]. In addition, domestic political policies, such as the rise of trade protectionism, impact international trade. Measures aimed at safeguarding domestic industries through increased tariff barriers may provoke retaliatory actions from other countries, escalating international trade tensions.

4.3. Influence of technical factors on international trade

Technical factors represent key driving forces shaping the development trend of international trade. Technological advancements, particularly the revolutionary strides in ICT, have substantially reduced trade costs, enhanced trade efficiency, and catalyzed the emergence of innovative business models such as e-commerce and digital services. The application of modern technologies, including the Internet of Things (IoT), big data analytics, AI, and machine learning, is reshaping product design, marketing strategies, supply chain management, and customer service. This, in turn, impacts the commodity structure and service modes within international trade. The progression of automation and intelligent manufacturing technologies, such as 3D printing, is altering the geographic layout of production, potentially leading to the repatriation of manufacturing from countries with low labor costs to technologically advanced countries. Concurrently, technological innovation is fostering the development of new industries, with renewable energy being a prime example, and its rise promises to disrupt traditional international trade models.

4.4. Environmental factors and their impact on international trade

The influence of environmental factors on the development of international trade is becoming increasingly significant. With the escalating impact of global climate change, environmental protection has emerged as a pivotal factor constraining and guiding international trade policies. The surge in extreme climate events poses challenges to agricultural production, resource allocation, and the stability of supply chains, thereby affecting the global trade landscape. Governments and the international community are increasingly focusing on sustainable development, resulting in the implementation of green trade policies and environmental regulations. These measures, such as restrictions on carbon emissions and higher environmental standards, not only alter the cost structure of trade in products and services but also have the potential to create new markets and industry standards. Additionally, heightened consumer awareness of environmental protection and social responsibility is driving the trend of green consumption, further promoting international trade in environmental protection technologies and products ^[6]. Consequently, to adapt to these changes and maintain competitiveness, enterprises must consider integrating more environmental sustainability measures into production and supply chain management.

4.5. Impact of regional economic integration on international trade

Regional economic integration entails the process of dismantling trade barriers, coordinating macroeconomic policies, and fostering the flow of capital and labor among countries. Through the establishment of free trade zones, customs unions, common markets, and even economic alliances, this approach reduces transaction costs within the region, enhancing the competitiveness of enterprises and promoting trade and investment among

member states. Notable examples of regional economic integration include the European Union (EU), the North American Free Trade Agreement (NAFTA), the US-Mexico-Canada Agreement (USMCA), the Association of Southeast Asian Nations (ASEAN), and the Southern Common Market (MERCOSUR) ^[7]. These regional groups have increased trade flows and economic vitality by standardizing product rules, reducing trade barriers, fostering technological exchanges, and improving administrative efficiency.

5. Conclusion

In the context of the new economic globalization, the development trend of international trade has exhibited several new features, including the continued evolution of trade liberalization and the robust growth of digital trade ^[8]. To adapt to this trend, governments worldwide must formulate corresponding international trade policies to promote the sustainable development of international trade. This, in turn, will contribute to global economic prosperity, as well as fostering world peace and stability.

Disclosure statement

The author declares no conflict of interest.

References

- [1] Cao X, Guo T, Zhang J, 2023, Research on the Future Development Trend and Countermeasures of International Trade Under the New Situation. *China Market*, 2023(18): 19–22.
- [2] Cai M, 2023, Exploration on Measures to Promote the Development of International Economy and Trade Under the New Situation. *Financial Literary World*, 2023(6): 43–46.
- [3] Chen G, 2023, Trend and Characteristics of International Trade Development Under the New Situation. *Fortune Today*, 2023(2): 8–10.
- [4] Yu J, 2022, Research on the Current Development Trend of Global International Trade Protection. *Commercial Exhibition Economy*, 2022(21): 56–58.
- [5] Fan S, 2022, Development Trend of International Economy and Trade and Strategic Choice of China's Foreign Trade. *Business Theory of China*, 2022(20): 31–33.
- [6] Zhou Y, 2022, Development Trend and Response of International Trade Under the Background of Economic Globalization. *North China Economy and Trade*, 2022(6): 37–39.
- [7] Fan H, 2021, Analysis of the Development Trend of International Trade Under the Background of Economic Globalization. *Time-Honored Brand Marketing*, 2021(9): 85–86.
- [8] Li N, 2020, Analysis of the Development Trend of International Trade Under the Background of Economic Globalization. *Modern Marketing*, 2020(2): 3–4.

Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.