

# World trade and its role in developing Countries

## 1- Introduction

Developing countries do not have enough resources or sometimes enough budget for the production of materials for trade with outside world. However if provided with opportunities and resources they can take part in global trade, making their economy sustainable enough for exports and imports.

## 2- Crunch Paragraph

## 3- World trade in the developing Countries.

a- World trade is helpful in uplifting the economic status of the developing countries

b- Tax to GDP ratio of the developing states is increased through world trade.

c- World trade helps developing countries in revenue generation.

d- Developing nations can be benefitted through trade in managing balance of payment issues

## 4- World trade and integration of developing Countries:

a- Integration of developing states with other developing states and with developed states

b- Developing countries can project positive image to the other countries through world trade

c- Conflict resolution is encouraged through world trade.

5- Hurdles for Developing Countries in World trade:

a- Long lingering conflicts of developing countries is a core hurdle for their trade.

b- Crippling economy serves as one of the major hurdles of world trade for developing states.

c- Developing countries have low trade potential.

d- Developing states suffer from Debt crisis.

e- Developing nations lack enough industrial base for production goods.

6- Hurdles in world trade for developing countries can be curbed with effective and sound measures:

a- Developing states have to engage in Confidence Building measures and effective Dialogue to resolve conflicts.

b- Developing countries can become economically able to take part in world trade, if they are granted with low interest loans.

c- Investment of multi-billion dollars projects can be initiated by big powers for long term sustainability.

d- Developing states need to produce enough production material for trade.

7- Conclusion:

# 1. Introduction:

"Trade can be good for development, but only when complemented by appropriate domestic policies." **Joseph Stiglitz**

World trade is necessary for developing countries for the sake of development. Developing countries have low trade potential. World trade is necessary for developing nations in order to improve their economy and tax to GDP ratio. They can boost their revenue collection through trade and resolve domestic problems. Through global trade, developing states can become integrated to regional, global, or to the other developing countries. These countries can project a positive image to the world in this way. However there are certain hurdles like long lingering conflicts, crippling economies and debt crisis which is prevailing over the developing countries making it hard for them to become part of global trade. But these issues must not herald developing countries from benefitting from the world trade. These problems can be curbed through certain measures like,

Confidence Building measures: and Dialogue among conflicting nations, Granting them loans etc, so that they can use it for investment purposes for long term benefits and overcome these hurdles and be part of world trade.

Developing states do not have enough resources or sometimes enough budget for the production of materials for trade with outside world. However if provided with opportunities and resources they can take part in global trade, making their economy sustainable enough for exports and imports.