UNIT1

INTRODUCTION OF INTERNATIONAL BUSINESS

Today business is growing globally and the need for profit is pushing a large number of business firms into world markets beyond their historical and traditional boundaries. A global corporation is gaining an increasing acceptance in the business community compared to corporations operating within the geographical limits of a country. These companies are termed as Multi National Corporations (MNC) or Trans National

Company(TNC). These companies operate on the principle that the world is their field of operations. For example. Shell, Unilever, Nestle, etc., operate on the philosophy of "global corporation". They cannot be labeled as French or German or Dutch or Swiss company. These companies have no real domestic market. People of many different nationalities are managing and operating thesecorporationsonadaytodaybasis. Their products and services are sold around the world through their operating subsidiaries functioning in various countries.

International business involves transactions across the national boundaries. It includes the transfer of goods, services, technology, managerial knowledge and capital to other countries. Although business has been conducted on an international scale for many years, international business has gained more significance only in recent years because of the emergence of multinational corporations in some of the developing countries.

Meaning of International Business

International business denotes all those business activities which take place beyond the geographical limits of the country. It involves not only the international movements of goods and services, but also of capital personnel, technology and intellectual property like patents, trademarks, know-how and copy rights.

Definition of International Business

Roger Bennet defines, International business involves commercial activities that cross national frontiers

According to John D. Daniels and Lee H. Radebaugh, International business is all business transactions- private and governmental- that involve two or more countries. Private companies undertake such transactions for profits, governments may or may not do the same in their transactions.

GLOBASLIATION, ADVANTAGES AND DISADVANTAGES

An Official Definition of Globalization by the World Health Organization (WHO)

According to WHO, globalization can be defined as " the increased interconnectedness and interdependence of peoples and countries. It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows."

What Is Globalization in the Economy?

According to the Committee for Development Policy (a subsidiary body of the United Nations), from an economic point of view, globalization can be defined as:

"(…) the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers (…) and the rapid growing significance of information in all types of productive activities and marketization are the two major driving forces for economic globalization."

) Globalisation helps to boost the long run average growth rate of the economy of the country through:

(a) Improvement in the allocative efficiency of resources;

(b) Increase in labour productivity; and

) Reduction in capital-output ratio.

(ii) Globalisation paves the way for removing inefficiency in production system. Prolonged protective scenario in the absence of globalisation makes the production system careless about cost effectiveness which can be attained by following the policy of globalisation.

(iii) Globalisation attracts entry of foreign capital along with foreign updated technology which improves the quality of production.

(iv) Globalisation usually restructure production and trade pattern favouring labour-intensive goods and labour-intensive techniques as well as expansion of trade in services.

v) In a globalized scenario, domestic industries of developing country become conscious about price reduction and quality improvement to their products so as to face foreign competition.

(vi) Globalisation discourages uneconomic import substitution and favour cheaper imports of capital goods which reduces capital-output ratio in manufacturing industries. Cost effectiveness and price reduction of manufactured commodities will improve the terms of trade in favour of agriculture.

(vii) Globalisation facilitates consumer goods industries to expand faster to meet growing demand for these consumer goods which would result faster expansion of employment opportunities over a period of time. This would result trickle down effect to reduce the proportion of population living below the poverty line

(viii) Globalisation enhances the efficiency of the banking insurance and financial sectors with the opening up to those areas to foreign capital, foreign banks and insurance companies.

DISADVANGES

i) Globalisation paves the way for redistribution of economic power at the world level leading to domination by economically powerful nations over the poor nations.

(ii) Globalisation usually results greater increase in imports than increase in exports leading to growing trade deficit and balance of payments problem.

iii) Although globalisation promote the idea that technological change and increase in productivity would lead to more jobs and higher wages but during the last few years, such technological changes

occurring in some developing countries have resulted more loss of jobs than they have created leading to fall in employment growth rates.

(iv) Globalisation has alerted the village and small scale industries and sounded death-knell to it as they cannot withstand the competition arising from well organized MNCs.

(v) Globalisation has been showing down the process to poverty reduction in some developing and underdeveloped countries of the world and thereby enhances the problem of inequality.

(vi) Globalisation is also posing as a threat to agriculture in developing and underdeveloped countries of the world. As with the WTO trading provisions, agricultural commodities market of poor and developing countries will be flooded farm goods from countries at a rate much lower than that indigenous farm products leading to a death-blow to many farmers.

(vii) Implementation of globalisation principle becoming harder in many industrially developed democratic company.

ADAM SMITH COST ADVANTAGE THEORY

Adam Smith is generally ignored as a trade theorist in text books of international economics because of the common belief that he only confirmed the rule of absolute advantages to explain the structure of foreign trade.

However, his vent-for-surplus approach may be interpreted as a pioneering study which stresses the importance of economies of scale in explaining the structure of trade.

Economists recognize the undeniable influence of Smith's concepts such as "extent of the market", "division of labour", "improved dexterity in every particular workman", and "simple inventions coming from workman" on trade theory.

dam Smith propounded the theory of absolute cost advantage as the basis of foreign trade; under such circumstances an exchange of goods will take place only if each of the two countries can produce one commodity at an absolutely lower production cost than the other country.

Absolute differences in Production Costs

Suppose, there are two countries I & II and two commodities A and B. For example, country can produce a unit of commodity (A) with 10 and a unit of commodity (B) with 20 labour units, and that in country II, the production of a unit of (A) costs 20 and a unit of (15) 10 labour units. Now country I has absolute cost advantage in tin- production of (A) and it will confine itself to the production of (A) and country II in the production of (B). Exactly the same would happen if I and II were two regions of one country. We speak of an absolute- differences in costs because each country can produce one commodity at an absolutely lower cost them the other. Thus, in such a situation, a division of labour between them must lead to an increase in total output.

UNIT 2

INTERNATIONAL BUSINESS ENVIRONMRNT

(MNC)

Multinational Corporations or Multinational Companies are corporate organizations that operate in more than one country other than home country. Multinational Companies (MNCs) have their central head office in the home country and secondary offices, facilities, factories, industries, and other such assets in other countries.

These companies operate worldwide and hence also known as global enterprises. The activities are controlled and operated by the parent company worldwide. Products and services of MNCs are sold around various countries which require global management.

High turnover and many assets, aggressive marketing are some of the features of Multinational Companies. LTI, TCS, Tech Mahindra, Deloitte, Capgemini are some of the examples of MNCs in India. Lets us understand the features, advantages of Multinational Companies in detail.

Access to Consumers – Access to consumers is one of the primary advantages that the MNCs enjoy over companies with operations limited to smaller region. Increasing accessibility to wider geographical regions allows the MNCs to have a larger pool of potential customers and help them in expanding, growing at a faster pace as compared to others.

Accesses to Labor – MNCs enjoy access to cheap labor, which is a great advantage over other companies. A firm having operations spread across different geographical areas can have its production unit set up in countries with cheap labor. Some of the countries where cheap labor is available is China, India, Pakistan etc.

Taxes and Other Costs – Taxes are one of the areas where every MNC can take advantage. Many countries offer reduced taxes on exports and imports in order to increase their foreign exposure and international trade. Also countries impose lower excise and custom duty which results in high profit margin for MNCs. Thus taxes are one of the area of making money but it again depends on the country of operation.

Overall Development – The investment level, employment level, and income level of the country increases due to the operation of MNC's. Level of industrial and economic development increases due to the growth of MNCs.

Technology – The industry gets latest technology from foreign countries through MNCs which help them improve on their technological parameter.

R&D – MNCs help in improving the R&D for the economy.

Exports & Imports – MNC operations also help in improving the Balance of payment. This can be achieved by the increase in exports and decrease in the imports.

MNCs help in breaking protectionalism and also helps in curbing local monopolies, if at all it exists in the country.

Disadvantages of MNCs for the Host Country

Laws – One of the major disadvantage is the strict and stringent laws applicable in the country. MNCs are subject to more laws and regulations than other companies. It is seen that certain countries do not allow companies to run its operations as it has been doing in other countries, which result in a conflict within the country and results in problems in the organization.

Intellectual Property – Multinational companies also face issues pertaining to the intellectual property that is not always applicable in case of purely domestic firms

Political Risks – As the operations of the MNCs is wide spread across national boundaries of several countries they may result in a threat to the economic and political sovereignty of host countries.

Loss to Local Businesses – MNCs products sometimes lead to the killing of the domestic company operations. The MNCs establishes their monopoly in the country where they operate thus killing the local businesses which exists in the country.

Loss of Natural Resources – MNCs use natural resources of the home country in order to make huge profit which results in the depletion of the resources thus causing a loss of natural resources for the economy

Money flows – As MNCs operate in different countries a large sum of money flows to foreign countries as payment towards profit which results in less efficiency for the host country where the MNCs operations are based.

Transfer of capital takes place from the home country to the foreign ground which is unfavorable for the economy.

Applicability to Businesses

MNCs are suitable for only a set of business categories. Following are some of the suitable cases where the MNC mode of operation could succeed:

FOREIGN DIRECT INVESTMENT

Advantages of Foreign Direct Investment.

1. Economic Development Stimulation.

Foreign direct investment can stimulate the target country's economic development, creating a more conducive environment for you as the investor and benefits for the local industry.

2. Easy International Trade.

Commonly, a country has its own import tariff, and this is one of the reasons why trading with it is quite difficult. Also, there are industries that usually require their presence in the international markets to ensure their sales and goals will be completely met. With FDI, all these will be made easier.

3. Employment and Economic Boost.

Foreign direct investment creates new jobs, as investors build new companies in the target country, create new opportunities. This leads to an increase in income and more buying power to the people, which in turn leads to an economic boost.

4. Development of Human Capital Resources.

One big advantage brought about by FDI is the development of human capital resources, which is also often understated as it is not immediately apparent. Human capital is the competence and knowledge of those able to perform labor, more known to us as the workforce. The attributes gained by training and sharing experience would increase the education and overall human capital of a country. Its resource is not a tangible asset that is owned by companies, but instead something that is on loan. With this in mind, a country with FDI can benefit greatly by developing its human resources while maintaining ownership.

5. Tax Incentives.

Parent enterprises would also provide foreign direct investment to get additional expertise, technology and products. As the foreign investor, you can receive tax incentives that will be highly useful in your selected field of business.

6. Resource Transfer.

Foreign direct investment will allow resource transfer and other exchanges of knowledge, where various countries are given access to new technologies and skills.

Disadvantages of Foreign Direct Investment

1. Hindrance to Domestic Investment.

As it focuses its resources elsewhere other than the investor's home country, foreign direct investment can sometimes hinder domestic investment.

2. Risk from Political Changes.

Because political issues in other countries can instantly change, foreign direct investment is very risky. Plus, most of the risk factors that you are going to experience are extremely high.

3. Negative Influence on Exchange Rates.

Foreign direct investments can occasionally affect exchange rates to the advantage of one country and the detriment of another.

4. Higher Costs.

If you invest in some foreign countries, you might notice that it is more expensive than when you export goods. So, it is very imperative to prepare sufficient money to set up your operations.

5. Economic Non-Viability.

Considering that foreign direct investments may be capital-intensive from the point of view of the investor, it can sometimes be very risky or economically non-viable.

6. Expropriation.

Remember that political changes can also lead to expropriation, which is a scenario where the government will have control over your property and assets.

LEGAL ASPECTS OF FDI

ncreasing the inflow of foreign investments in the country is always the main aim of the government and they take necessary reforms in order to make India attract FDI.

The country which has the highest FDI in India in FY 2020 is Singapore with investments at INR 1036 billion. The other countries that come below Singapore in terms of FDI in India are Mauritius, Netherlands, USA, Japan, France, United Kingdom, Cyprus, and Germany.

The Indian startup economy got its wings through foreign direct investments as they were looking for capital investments for their ventures. Many countries showed their trust in the Indian startups and provided the capital they required and now they have turned out to be top unicorn companies of India.

Various innovations, technology, and software advancements have come into the country through FDI and also employment opportunities have emerged immensely through it. Earlier the employment opportunities were bleak and still, there are more requirements of job opportunities in India but now the employment rate of the country has improved a lot through FDI which generates jobs and makes the citizens prosper.

The population of India and the increase in the buying capacity of India makes India the perfect destination for the establishment of the manufacturing units and the consumer market for the goods. India is rich in natural and human resources, a robust banking system, and liberal foreign investment policies that attract foreign investors.

The major advantages that India got through foreign direct investment are high employment opportunities, rural development, technological development, and economic development.

Act/Policies Governing FDI in India

The government of India keeps making amendments in the foreign direct investment policies according to the business environment. During the pandemic, the government has imposed restrictions on the foreign investments which are made by the neighboring countries of India with which India shares a border with due to the border clash with China and the pandemic creating a tough survival situation for business.

The government always takes measures in securing the domestic companies and also takes steps to invite foreign investments in the country. FDI in India is in the protection of the Department for Promotion of Industry and International Trade, Ministry of Commerce & Industry.

The modifications are done in the FDI policies through the Press Notes/Press Releases notified by the Reserve Bank of India.

The prohibited activities for FDI in India are atomic energy, railway operations, gambling and betting, chit funds, real estate, manufacture of tobacco products, etc. Such prohibitions are placed to secure national security and defense.

he main features of FEMA are:

Activities such as payments made to any person outside India or receipts from them, along with the deals in foreign exchange and foreign security is restricted. It is FEMA that gives the central government the power to impose the restrictions.

Free transactions on the current account subject to reasonable restrictions that may be imposed.

Without general or specific permission of FEMA, MA restricts the transactions involving a foreign exchange or foreign security and payments from outside the country to India – the transactions should be made only through an authorized person.

Deals in foreign exchange under the current account by an authorized person can be restricted by the Central Government, based on public interest generally.

Although selling or drawing of foreign exchange is done through an authorized person, the RBI is empowered by this Act to subject the capital account transactions to a number of restrictions.

Residents of India will be permitted to carry out transactions in foreign exchange, foreign security or to own or hold immovable property abroad if the currency, security or property was owned or acquired when he/she was living outside India, or when it was inherited by him/her from someone living outside India.

The Regulations under FEMA are:

Foreign Exchange Management (Current Account Transactions) Rule, 2000

Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000

Foreign Exchange Management (Transfer or Issue of any Foreign Security) regulations, 2004

Foreign Exchange Management (Foreign currency accounts by a person resident in India)Regulations, 2000

Foreign Exchange Management (Acquisition and transfer of immovable property in India) regulations, 2018

Foreign Exchange Management (Establishment in India of branch or office or another place of business) regulations, 2000

Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016

Foreign Exchange Management (Export of Goods and Services) regulations, 2000

Foreign Exchange Management (Realisation, repatriation, and surrender of Foreign Exchange) regulations, 2000

Foreign Exchange Management (Possession and Retention of Foreign Currency) Regulations, 2000

Foreign Exchange (Adjudication Procedure and Appeals) rules,

Foreign Exchange Management (Borrowing and Lending) Regulations, 2018

Foreign Exchange Management (Cross Border Merger) Regulations, 2018

Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017

Foreign Exchange Management (Remittance of Assets) Regulations, 2016

Foreign Exchange Management (Deposit) Regulations, 2016

Foreign Exchange Management (Establishment in India of a branch office or a liaison office or a project office or any other place of business) Regulations, 2016

Earlier the Foreign Exchange Regulation Act was there but it got replaced with the Foreign Exchange Management Act which was passed in 1999.

The main reason for changing the earlier act governing the foreign direct investment in India as it became incompatible with the pro-liberalization policies of the country.

The Foreign Exchange Management Act is in accordance with the framework of the World Trade Organization and it carved the establishment of the Prevention of Money Laundering Act, 2002.

The acts/rules/guidelines which regulate FDI in India are:

Foreign Contribution (Regulation) Act, 2010,

Foreign Contribution (Regulation) Rules, 2011

And other notification/orders etc. issued thereunder from time to time.

FCRA, 1976 repealed after coming of FCRA, 2010

FDI has benefitted India a lot in the development of the country and as per the predictions India will be emerging as a strong economy in the coming years. Along with FDI, India will be walking on the road of development and serving its people with major developments in the country.

UNIT3

INTERNATIONAL FINANCE

BALANCE OF TRADE AND BALANCE OF PAYMENT

Balance of trade

The balance of trade is the distinction between the value of a nation's imports and exports for a given time frame. The BoT is the largest constituent of a nation's balance of payments. Economists utilise the BoT to compute the associative potency of a nation's economy. The BoT is also known as the trade balance or the international trade balance.

Balance of payment

The balance of payment is a statement of all the transactions that are made between entities in one nation and the rest of the world over a particular time frame, such as a quarter or a year. To put it in other words, the BoP is a set of accounts that identifies all the commercial transactions operated by the nation in a specific period with the remaining nations of the world. It documents a record of all the monetary transactions performed globally by the nation on goods, services, and income during the year.

This article is a ready reckoner guide for the students to learn the difference between the balance of trade and balance of payments.

Balance of trade

Balance of payments

Definition

Balance of trade or BoT is a financial statement that captures the nation's import and export of commodities with the rest of the world. Balance of payment or BoP is a financial statement that keeps track of all the economic transactions by the nation with the rest of the world.

What does it deal with?

It deals with the net profit or loss that a country incurs from the import and export of goods. It deals with the proper accounting of the transactions conducted by the nation.

Fundamental Difference

Balance of trade (BoT) is the difference that is obtained from the export and import of goods. Balance of payments (BoP) is the difference between the inflow and outflow of foreign exchange.

Type of transactions included

Transactions related to goods are included in BoT. Transactions related to transfers, goods, and services are included in BoP.

Are capital transfers included?

No Yes

What is its net effect?

The net effect of BoT can be either positive, negative, or zero. The net effect of BoP is always zero.

The above-mentioned is the concept that is elucidated in detail about the difference between balance of trade and balance of payment for Commerce students. To know more, stay tuned to BYJU'S.

WORLD BANK

WORLD Bank is also known as The International Bank for Reconstruction and Development (IBRD). The Second World War damages the economies of the world. So in 1945 it was realized to concentrate on the reconstruction of that war damaged economies. The IBRD was established in Dec. 1945 with the IMF on the basis of recommendations of the Bretton woods conference that is reason why IMF and World Bank are called Bretton woods twin. IBRD started working in June 1946. As on April 2019; the World Bank of 189 members.

Objectives of World Bank:

i. To provide long term capital to members countries for economic reconstruction and development.

ii. To induce long term capital investment for assuring BOP equilibrium and balanced development of international trade

ii. To promote capital investment in members countries by following ways

a. To provide guarantee on private loans or capital investment

b. If capital is not available even after providing guarantee, then IBRD provides loans for productive activities on considerate conditions.

iv. To ensure the implementation of development projects so as to bring about a smooth transference from a war time to peace economy.

Functions of the World Bank:

Presently the World Bank is playing the main role of providing loans for development works to member countries, especially to under developed countries. The bank provides loans for various development projects of 5 to 20 years duration.

i. Bank can grant loans to members countries up to 20 % of its share in paid up capital.

ii. Bank also provides loans to private investors belonging to the members on its own guarantee, but private investors need to take permission of its native country. Banks charges 1% to 2% as service charge.

iii. The quantum of loan service, interest rate, terms and conditions are decided by the World Bank itself.

iv. Generally bank grant loans for a particular project duly submitted to the bank by the member country.

v. The debtor nation has to repay either in reserve currencies or in the currencies in which the loan was sanctioned.

INTERNATIONAL MONETARY FUND

The origin of the IMF goes back to the days of international chaos of the 1930s. During the Second World War, plans for the construction of an international institution for the establishment of monetary order were taken up.

At the Bretton Woods Conference held in July 1944, delegates from 44 non-communist countries negotiated an agreement on the structure and operation of the international monetary system.

The Articles of Agreement of the IMF provided the basis of the international monetary system. The IMF com-menced financial operations on 1 March 1947, though it came into official existence on 27 December 1945, when 29 countries signed its Articles of Agreement (its charter). Today (May 2012), the IMF has near-global membership of 188 member countries. Virtually, the entire world belongs to the IMF. India is one of the founder- members of the Fund.

Objectives.

To promote international monetary coope-ration through a permanent institution which provides the machinery for consolation and collaboration on international monetary problems.

II. To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objective of economic policy.

III. To promote exchange stability, to maintain orderly exchange arrangements among members, and to avoid competitive exchange depreciation

IV. To assist in the establishment of a multila-teral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade.

V. To give confidence to members by making the general resources of the Fund tempo-rarily available to them under adequate safeguards, thus providing them with the opportunity to correct maladjustments in their balance of payments, without resor-ting to measures destructive of national or international prosperity.

FUNCTIONS OF INTERNATIONAL MONETARY FUND

Surveillance : The IMF closely monitors each member country's economic and financial developments and holds a policy dialogue with a member country on a regular basis (also known as Article IV Consultation), usually once each year, to assess its economic conditions with a view to providing policy recommendations. The IMF also reviews global and regional developments and outlook based on information from individual consultations. The IMF publishes such assessment on the multilateral surveillance through the World Economic Outlook and the Global Financial Stability Report on a semi-annual basis.

Financial Assistance : The IMF lends to its member countries facing balance of payments problems in order to facilitate the adjustment process and restore member countries' economic growth and stability through various loan instruments or "facilities". An IMF loan is usually provided under an "arrangement," requiring a borrowing country to undertake the specific policies and measures to resolve its balance of payments problem as specified in a "Letter of Intent." Most IMF loans are primarily financed by its member countries through payments of quotas. Thus, the IMF's lending capacity is mainly determined by the total amount of quotas. Nevertheless, if necessary, the IMF may borrow from a number of its financially strongest member countries through the New Arrangements to Borrow (NAB) or the General Arrangements to Borrow (GAB)

(http://www.imf.org/external/np/exr/facts/gabnab.htm) to supplement the resources from its quotas.

Technical Assistance : The IMF provides technical assistance to help member countries strengthen their capacity to design and implement effective policies in four areas, namely, 1) monetary and financial policies, 2) fiscal policy and management, 3) statistics and

4) economic and financial legislation. In addition to technical assistance, the IMF also offers training courses and seminars to member countries at the IMF Institute in Washington D.C., and other regional training institutes (Austria, Brazil, China, India, Singapore, Tunisia and United Arab Emirates).

3. Organizational Structure

The Board of Governors, comprising one governor from each member country(http://www.imf.org/external/np/sec/memdir/members.htm), is the highest decision-making body of the IMF. The Board of Governors usually meets once each year at the IMF/World Bank Annual Meetings. The International Monetary and Financial Committee (IMFC), consisting of 24 members, which reflects the composition of the IMF's Executive Board, acts as the advisor to the Board of Governors. It meets twice each year to review issues relating to the Board of Governors' functions in supervising the management of the international monetary and financial system as well as make recommendations to the Board of Governors. The day-to-day work of the IMF, as guided by the IMFC, is carried out by the Executive Board (http://www.imf.org/external/np/sec/memdir/eds.htm) and IMF staff. The Managing Director is Chairman of the Executive Board and Head of IMF staff.

Membership : IMF's members have grown from 29 at its inception in 1945 to 185 at present. The latest member country is Montenegro who joined the IMF in January 2007. Countries must first join the United Nations to be eligible for IMF membership.

Quotas : Upon joining the IMF, each member country is assigned an initial quota comparable to its relative economic size to the global economy and those of existing member countries (http://www.imf.org/external/np/sec/memdir/members.htm). Quotas are denominated in Special Drawing Rights (SDRs) 1/ General quota reviews are conducted at regular intervals – usually every five years, allowing the IMF to assess the adequacy of quotas in terms of members' needs for liquidity and its ability to finance those needs.

A member's quota determines its voting power and access to IMF financing. The quota largely determines a member's voting power in IMF decisions. Each IMF member has 250 basic votes plus one additional vote for each SDR 100,000 of quota. In general, a member can borrow up to 100 percent of its quota annually and 300 percent cumulatively.

4. Relationship with Thailand

Thailand joined the IMF on 3 May 1949 as its 44th member. The Bank of Thailand (BOT) represents Thailand in the IMF under the Act Authorizing Operations Relating to the International Monetary Fund and the International Bank for Reconstruction and Development B.E. 2494 (1951). In this regard, the governor and a deputy governor of the BOT serve as governor and alternate governor of Thailand in the IMF respectively. Thailand's quota is 1,081.90 million SDR, equivalent to 0.5% of total quotas, corresponding to 11,069 votes (http://www.imf.org/external/np/sec/memdir/members.htm).

As part of an obligation under Article IV of the Articles of Agreement, Thailand is subject to an annual economic review by the IMF – a "consultation" between the IMF staff and authorities. In addition, Thailand has accepted obligations under Article VIII of the Articles of Agreement (http://www.imf.org/external/pubs/ft/aa/aa08.htm) since 4 May 1990, to impose on restrictions on payments and transfers of current account transactions. Most recently, Thailand participated in the joint IMF/World Bank Financial Sector Assessment Program 2/ (FSAP) in 2007.

Thailand has borrowed from the IMF under the Stand-by Arrangement 3/ (SBA) five times in total of 4,431 million SDR: 45.25 million SDR in July 1978; 814.5 million SDR (only 345 million SDR drawn) in June 1981; 271.5 million SDR in November 1982; 400 million SDR (260 million SDR drawn) in June 1985; and 2,900 million SDR (only 2,500 million SDR drawn) in August 1997. Thailand has no financial obligation to the IMF as Thailand completed repayment of the last Stand-By Arrangement in July 2003, two years ahead of schedule. Currently, Thailand participates as a potential lender to the Fund under the New Arrangements to Borrow (NAB), in an amount not exceeding 340 million SDR.

Bank aims to promote the soundness of financial systems in member countries. Work under the program seeks to identify the strengths and vulnerabilities of a country's financial system, and to help prioritize policy reforms.

3/ The SBA is designed to help countries address short-term balance of paymentsproblems. Stand-by is the most commonly used facility. The length of a SBA is typically 12-24 months, and repayment is normally expected within 2¼-4 years. Surcharges apply to high access levels.

UNIT:4

INTERNATIONAL ECONOMIC ZONES AND FOREIGN TRADE

With these objectives in mind, we can state the following six specific functions:

i. It shall facilitate the implementation, administration and operation of the WTO trade agreements, such as multilateral trade agreements, plurilateral trade agreements.

i. It shall provide forum for negotiations among its members concerning their multilateral trade relations.

iii. It shall administer the 'Understanding on Rules and Procedures' so as to handle trade disputes.

iv. It shall monitor national trade policies

v. It shall provide technical assistance and training for members of the developing countries.

vi. It shall cooperate with various international organisations like the IMF and the WB with the aim of achieving greater coherence in global economic policy-making.

The WTO was founded on certain guiding principles—non-discrimination, free trade, open, fair and undistorted competition, etc. In addition, it has special concern for developing countries.

INDIAS FOREIGN TRADE 2000.

. Overview of the French Economy

France is the 7th largest economy of the world with a total GDP of USD 2.71 trillion and a GDP growth rate of 1.2% in 2019. It had a Per Capita GDP (PPP) of USD 47,223 in 2019. France is an important member of the G-7, OECD and G-20. Its technological strengths make it the leader in sectors such as aviation, space, food processing, transport, railways and agricultural research.

2. India-France Economic & Commercial Relations

The economic and commercial relations are an important component of India's bilateral relations with France. The economic reforms process in India, eleven Prime Ministerial visits from India to France (in 1992, 1995, 1998, 2003, 2005, 2008, 2009, 2011, 2015, 2017 & 2019), the visit of our President to France (in 2000), visit of the French Prime Minister to India (in 2003), the visits of the French President to India (in 1998, 2006, 2008, 2010, 2013, 2016 & 2018) and the growing French interest in establishing their presence in Asian markets including in India have all contributed to the broadening of economic links. The series of high-level visits in the commercial and economic field reflects the growing interest of both the governments in expanding trade between the two countries. France considers India an important

market for its products and is looking to increase the number of joint ventures and encouraging investments in and from India.

GLOBAL SOURCING

If you are looking for a manufacturing company or a India sourcing agency, you've reached the right place.

We are a proud team of sourcing agents who has helped companies across the US and Europe, to source over number of products from the Indian market. As a leading sourcing company in India, we exclusively fulfil the sourcing needs of our clients by providing end-to-end strategic sourcing solutions.

We have built a highly stable network of suppliers and have helped globally renowned companies gain a competitive edge in the industry, resulting in an increased market share. All this backed by a wide network of logistics partners and an authentic supplier database, we boost ourselves as a reliable Product Sourcing Agency from India.

Your involvement in the sourcing process will be to share requirements, review quotes, review sample and receive timely delivery of goods.