

## IMPACT OF GLOBALIZATION AND INTERNATIONAL TRADE ON ECONOMY

*В. А. Шпаковская, студент группы 10506323 ФММП БНТУ,  
научный руководитель – старший преподаватель Н. П. Буланова*

*Резюме – в научной статье рассмотрены глобализация и международная торговля, которые играют важную роль в формировании общества и благосостояния, а также такие сферы как современная капиталистическая экономика, концепция конкуренции, международные торговые соглашения.*

*Resume – the scientific article examines globalization and international trade, which play an important role in shaping society and well-being. Such areas as modern capitalist economy, the concept of competition, international trade agreements are also considered.*

**Introduction.** In a rapidly changing world, the economy plays a crucial role in shaping our society and well-being. If we understand economic principles and their impact on our lives, it will help us navigate difficult economic conditions. An understanding of economics will ensure an increase in knowledge of basic economic theories and their application in practice.

The modern capitalist economy is very complex and consists of many interconnected structures (financial, commercial, industrial, information) and legal norms. The main concept of this system is the market, sellers and manufacturers interact. The relationship between them is represented by supply and demand, which eventually leads to the establishment of prices and sales volumes.

**Main part.** Competition is competition between businesses or countries to attract consumers, obtain resources, or achieve other goals. The Westernization of the global economy increases competition, reduces barriers to entry and accelerates innovation. The competitiveness of the state is crucial for its profitability, as it stimulates economic growth and development, increases the efficiency and quality of goods and services.

The concept of competition has undergone changes throughout history: Adam Smith saw competition as a natural human desire for improvement, leading to economic progress. Classical economics considered competition to be a race for maximum profit. Karl Marx saw competition as a struggle for the most favorable conditions for investment [1].

International trade agreements play a crucial role in stimulating trade and investment, which contributes to economic growth and development: 1. Reducing trade barriers. Trade agreements reduce or eliminate customs duties, quotas and other barriers, making it easier for goods and services to cross borders. This reduces business costs and makes goods and services more accessible to consumers. 2. Setting rules and standards. Trade agreements establish common rules and standards for trade, including technical regulations, sanitary and phytosani-

tary measures and intellectual property rules. This helps to create a more transparent and sustainable trading environment, reducing uncertainty and business risks. 3. Protection of investors' rights. Trade agreements often contain provisions protecting the interests of foreign investors, such as ensuring fair treatment, protection from nationalization and dispute resolution mechanisms. This increases investor confidence and supports the inflow of foreign investment, contributing to economic growth. 4. Promoting cooperation and dialogue. Trade agreements create platforms for cooperation and dialogue between countries, allowing them to discuss and resolve trade issues, as well as remove barriers to the exchange of goods and investments. They also contribute to strengthening a stable and peaceful international environment.

**Conclusion.** In conclusion, the economy has a great impact on our lives and society as a whole. The knowledge of economic rules and their application gives us a significant tool for understanding the economic world and interacting with it. This limitless guide to economics introduces basic economic concepts, theories, and their practical applications. We have covered a wide range of topics, including microeconomics, macroeconomics, market structures and international trade. An understanding of economic principles is necessary to make informed decisions in the field of personal finance, business and public policy. With this knowledge, we can better navigate the economic environment, make informed decisions, and contribute to creating a more prosperous and sustainable future.

#### REFERENCES

1. The impact of globalization on competition and competitiveness [Electronic resource]. – Access mode: <https://scienceforum.ru/2019/article/2018017181>. – Access date: 30.04.2024
2. Competitiveness and globalization [Electronic resource]. – Access mode: <https://studfile.net/preview/9087214/page:40/>. – Access date: 30.04.2024.