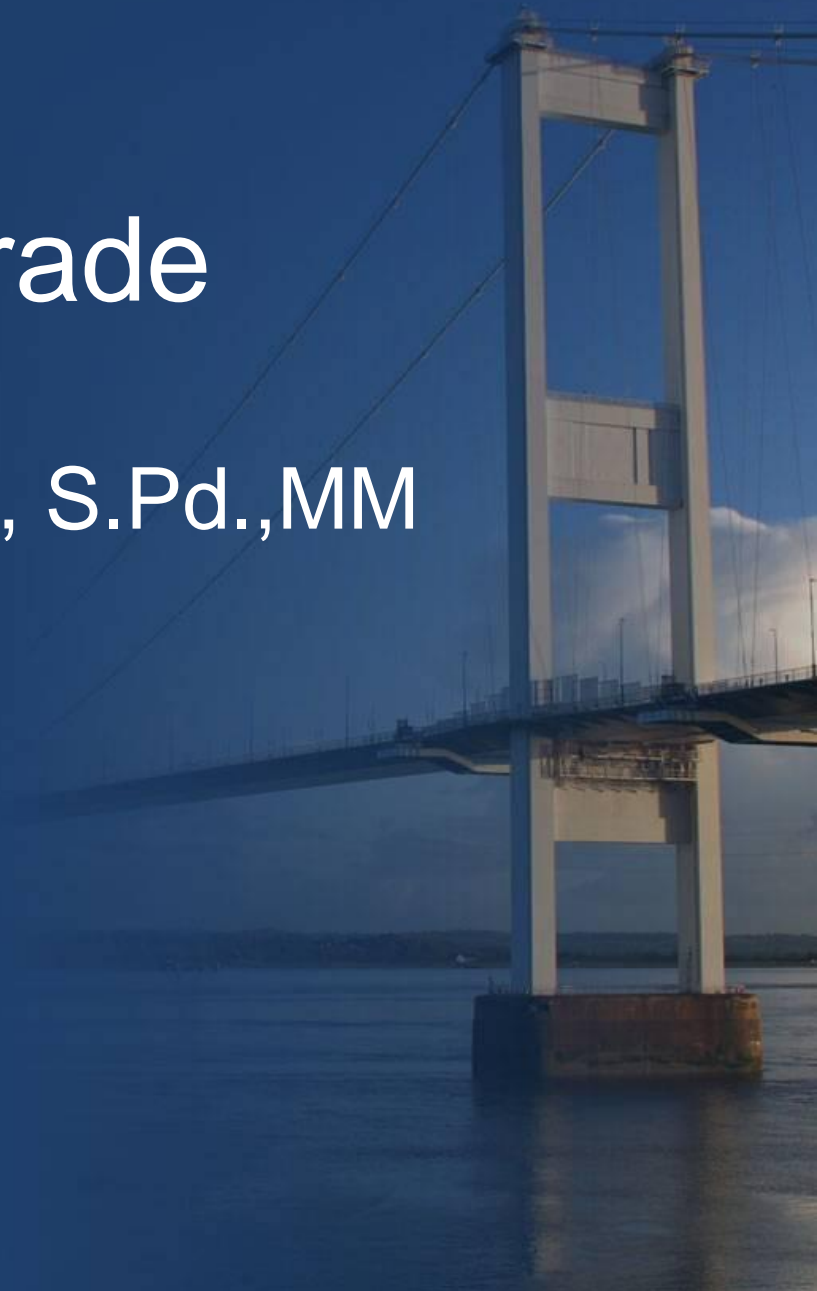


# Foreign Trade

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# Foreign Trade

→ trade between countries that have unity and sovereignty of law distinct from the specific agreement and meet the standard rules that have been defined and accepted internationally.



# Why did it happen in foreign trade?

- → to meet domestic needs and for more profit.



# Factors that lead to foreign trade



1. To obtain goods or resources that can not be produced domestically.
2. To get the real goods can be produced in the country but the quality is not yet qualified.
3. To get a more modern technology in order to empower the natural resources within the country

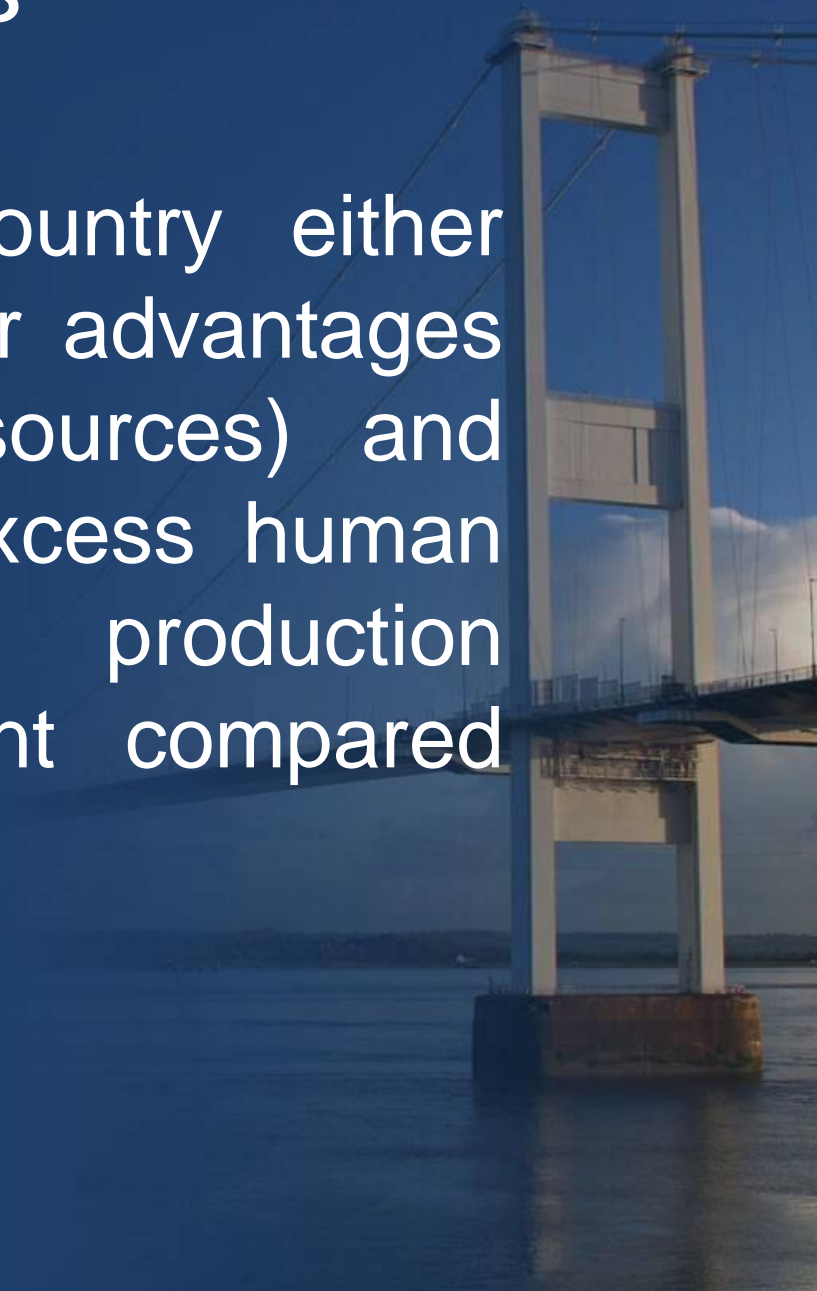
# Factors that lead to foreign trade

1. To expand the product market in the country.
2. Take advantage of specialization include the following,
  - a. Absolute advantages*
  - b. Comparative advantages*
  - c. Competitive advantages*



# *Absolute Advantages*

→ profits made by a country either because the benefits or advantages of nature (natural resources) and their country due to excess human resources so that production becomes more efficient compared with other countries



# *Comparative Advantages*

→ advantages possessed by a country in producing a product compared with other countries because the price comparisons of products it produces more efficient



# *Competitive Advantages*

→ the benefits of a country than any other country because that country's ability to serve the "market needs", in the sense that although all countries can produce the same products with the same relative efficiency but in terms of quality, service and marketing superior to other countries

