

# International Business & Global Interdependence

## Learning Goal:

- Describe ways international business activity develops interdependence among nations.

# What is Interdependence?

- Interdependence means countries rely on each other for goods, services, resources, and economic growth.
- Example: Canada relies on other countries for electronics and clothing.

# Trade of Goods and Services

- Countries buy and sell products to meet consumer needs.
- Example: Canada exports wheat and imports fruits from warmer countries.

# Specialization

- Countries focus on producing what they do best.
- Example: Japan specializes in technology, while Brazil specializes in coffee.

# Global Supply Chains

- Products are made using parts from many countries.
- Example: A smartphone may be designed in the U.S., assembled in China, with parts from several countries.

# Foreign Investment

- Businesses invest in other countries to expand operations.
- Example: A Canadian company opening factories in Mexico.

# Transportation & Technology

- Advances make it easier to trade globally.
- Example: Container shipping and online ordering connect markets worldwide.

# Employment & Economic Growth

- International business creates jobs and supports economies.
- Example: Auto plants providing jobs in multiple countries.

# Risks of Interdependence

- Economic problems in one country can affect others.
- Example: Supply shortages during global crises.

# Summary

- International trade, specialization, supply chains, and investment create strong links between countries.