

IMPACTS OF GLOBALISATION

chapter #9

ECONOMIC

→ companies

- benefits {
- maximise market outreach (↑ shares)
 - larger consumer base (↑ profits)
 - lower cost of labour
 - China and Vietnam ↙
- tradeoffs {
- increased competition for SMEs to gain control over market
 - SMEs lack \$ and resources so outcompeted and closed down (Nokia of Finland VS Apple of USA)

→ individuals

- + {
- better job prospects overseas
 - pursue jobs suited to skillset and wants (↑ income)
- {
- competition for jobs

→ countries

Benefits	Tradeoffs
<p>Economic Growth</p> <ul style="list-style-type: none"> - Trade becomes increasingly commonplace, leading to more trading and more wealth generated - Free trade agreements signed between countries can encourage trade between countries and boost revenue - Eg. SG & US FTA 2004 allowing free trade for petrochemicals, information technology and electronics - This increases trade in these industries and thus boost economic growth 	<p>Economic Downturn</p> <ul style="list-style-type: none"> - Because of how interdependent countries are on each other, a country's financial crisis may spark a domino effect through related countries - A country may also withdraw their investments or reduce their demand for goods when they are experiencing an economic downturn, causing the other country to lose employment opportunities leading to less income - Eg. Global Financial Crisis, 2008 when the US was experiencing a huge recession due to its large involvement in international economies, causing many international banks to shut down because their incomes were derived from investments from the US