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Analyzing the impact of international trade on the growth of national economies and overcoming global economic challenges

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A B S T R A C T

International trade is essential since it mainly contributes to expanding countries ' markets and the availability of goods and products that may not be available locally. The research aimed to analyze the impact of international trade on the growth of national economies and overcoming global economic challenges. One of the most important results is the increase in the value of world exports between 2010 and 2022, from (19082) billion dollars to (31583) billion dollars. China, the United States, and Germany have ranked at the top of the exporting countries, and imports for the same period increased from (19227) billion dollars to (31608) billion dollars in 2022. The United States has occupied the leading position with (3376) billion dollars. The most important proposals are to develop productive sectors using modern technical and technological methods to increase production efficiency, encourage exports, and reduce imports.

A R T I C L E I N F O

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Introduction:

Trade is of great importance, significantly, since it fundamentally contributes to expanding countries' markets and making goods and products available that may not be available locally.

International trading also facilitates access to goods and products in different countries and provides various products to consumers. This would make prices more competitive and eliminate monopoly and exploitation of consumers, as the diversity and availability of products make prices low. Therefore, international trade has dramatically facilitated trading exchange worldwide and has become essential in raising living standards and creating more job opportunities. Enabling consumers to enjoy a broader range of goods and international trade has gained significant importance recently. Therefore, it is considered an essential factor in any country's strategy in achieving its economic, social, and political goals, in addition to meeting the needs of countries and achieving integration among them in terms of goods, services, and raw materials.

Developing countries often face indirect factors that hinder their access to global markets, such as anti-competitive practices, an unfavorable regulatory environment for business growth and investment, and limited infrastructure capacity. Even countries with liberal and transparent trade policies will suffer if their markets are not connected to other markets, and a large proportion of the world's poorest populations live in landlocked or remote areas or suffer in some way from weak links to international trade. This research will shed light on international trade and its impact on the growth of national economies and facing global economic challenges.

Research problem:

The problem with the research is that many countries depend only on the export of raw and primary materials and consider it a primary source of their revenues to finance their development plans or depend on a specific good or service, which makes them suffer from a complete deficit at times, due to their reliance on these resources, and the instability of demand. On it in the country and international markets. This is a result of several economic, political, and other factors. Therefore, diversifying exports is the only solution for all countries to preserve their financial resources, eliminate dependence on unilateral goods and services, and eliminate the risk of instability in global demand. The same applies to imports, which must be directed more towards importing capital goods, intermediate goods, and technology to stimulate its production cycle and reduce the consumption of final products as much as possible. From this standpoint, we must move towards integrating the global economy and not towards domination and monopoly. This research addresses the problem represented by the impact of international trade in achieving growth for national economies and confronting global economic challenges.

Research importance:

The importance of the research comes due to the critical role that international trade plays in driving the pace of production for the various economic activities of national economies, with the specifications imposed by the markets and the high efficiency that enables competition in global markets, as countries seek to increase imports of capital goods and intermediate products that are not available in the markets. Local; to improve the productivity of manufacturing industries, thus encouraging merchandise exports and access to new markets and confronting various economic challenges at the global level.

Research objective:

The research aims to analyze the impact of international trade on the growth of national economies and overcoming global economic challenges.

Research Methodology:

The descriptive analytical method was used; this is to describe the reality of international trade and the challenges facing national economies, in addition to the method of financial analysis. To analyze the impact of international trade on national economies.

Search concepts and terms:

- International trade: It is the process through which goods and services are exchanged across borders and different regions, and between the countries in which they are located and the countries that need them, that is, there is an exporting country and an importing country, and it constitutes a large percentage of the gross domestic product in various countries, and is different from trade. Local, which takes place entirely within the borders of one country. International trade may sometimes be called world trade or foreign trade.

- National economies: It is the general and aggregate economy of the state, which includes a group of individual economies that work to advance the state. The national economy forms part of the global economy, an economic term that refers to the group of economic activities carried out by the state's individuals and companies. The national economy of a country depends on many economic activities and operations taking place in its production and supply markets, in addition to data related to the flow of funds and resources, as well as goods and services included in the supply and demand lists and commercial import and export operations to and from the country.

The first topic is the relationship of international trade to economic growth:

The relationship between international trade and growth is established according to two international trade theories: modern traditional and modern trade theories. However, the fundamental differences between them are that the modern traditional theory assumes perfect competition, limited resources, no transfer of technology, and constant yields with size. We find Modern theories of modern trade, which were led in the early 1990s by economists (Krugman, Dixit and Norman, Lancaster, and Helpman), assume imperfect or monopolistic competition, the transfer of technology, and increasing returns with size. (Hesse, 2008, pp. 2)

John Stuart Mill is considered one of the classical economists who expressed the dynamic effects of foreign trade based on the opinions of Smith and Ricardo. As for the modern classical school, it confirms that the emergence of foreign trade is caused by the difference in the supply of production factors due to the difference in their prices. Relativity from one country to another makes it specialize in producing abundant element-intensive goods, investing in them, and then working to export them. Trade leads to maximizing local and international production. All countries benefit from its benefits, thus achieving capital accumulation that increases income ((Jebran ET el, 2018, p. As for (Kindlberger), international trade is a means that enables countries to achieve growth and move to the start-up stage by relying on the export sector. The term growth machine used by the economist (Sir Dennis Robertson)

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explains the contribution of international trade in expanding the international economy. From the middle of the nineteenth century until World War I, it grew by about twice the rate of global production, and its actual size increased by nearly ten times what it was at the beginning of the period. S.Ksuzents confirmed it was the leader of economic growth (Al-Quaz, 2008, p. 4).

Nurkse, Prebisch, and Myrdal also discussed that it catalyzes economic growth. Many empirical studies have confirmed the hypothesis that there is a positive effect of exports on economic growth, the most important of which are the studies of (Misels, Michaeli, Crocker, Balasa, Taylor, Ramm, Krafs, Kendelberker, and Haberler). (Mizelles, Mchaeli, Crocker, Balassa, Tyler, Ram, Kravis, Kindlerger, Haberlr, Syquim and Nurkse) Others concluded the positive relationship between trade and economic growth, as it acts as an aid to growth through the revenues that countries obtain that finance economic development. The expansion of trade provides investment with opportunities to reduce costs, stimulate production, and achieve benefits from trade through the intermediate goods it provides, which are necessary for development and technical progress, encourage foreign capital, and attract investments, in addition to the fact that exports are a leader for growth and development in developing and developed countries alike (Student (2018, pp. 237-238).

Keynes's theory also confirmed the relationship between international trade and economic growth and concluded that the demand for exports leads to growth. The greater the demand for goods produced for export, the greater the growth, and countries specialize in producing and exporting goods with high global demand (Cetintas), and Barisik, 2009, pp. 340). Kindlberger presents the mechanism of the trade model as an engine for economic growth by achieving growth in the export sector at the expense of other sectors. Growth in exports leads to an increase in demand in the exporting economy. This model also enables developing countries to exchange raw materials for capital and investment goods that have the potential to achieve this. This allows it to import modern technology and high skills from developed countries (Bahnam, 2019, p. 147). In this context, Marx Cordon explained the positive effects of expanding the export sector based on the supply side, as he believes that following a development policy that relies on exports would create many positive effects, the most important of which is that the establishment of trade leads to an increase in income, and an increase in income leads to accumulation. Because of directing part of this increase towards investment and trade, capital reduces the relative prices of investment goods relative to consumer goods if imports consist mainly of investment goods, increasing the ratio of investment to consumption. Thus, a higher rate of growth and a shift in income distribution will occur toward the elements used more intensively in the export sector. Suppose the tendency to save in the sector above or its production elements is higher than in other sectors. In that case, the total saving and capital accumulation rate will rise, and the expansion of exports will affect the growth rate as it increases. It creates a cumulative process. (Uddin and Khanam, 2017, Pp38)

From the above, we conclude that the trade model is an engine for economic growth, making it an essential factor in achieving economic growth and development.

The second topic: theories explaining international trade:

Most economists believe that the study of international trade theory dates back to the beginning of classical theory at the end of the eighteenth century and the beginning of the nineteenth century (Bin Deeb, 2003, p. 5). Adam Smith's ideas appeared in his book The Wealth of Nations in 1776, where he took the theory of absolute cost, which states that trade, can occur between two countries if one produces a commodity at a lower absolute cost of production than the other countries. This leads to an increase in international exchange and commercial profit for both countries by specializing each country in producing goods whose production it enjoys absolute advantages. Accordingly, the basis for establishing international trade is the difference in absolute advantage, which is the basis for establishing international trade. He also focused on specialization and division of labor by saying: The difference in absolute costs is the basis for international trade exchange, and most countries exchange because they vary in production conditions. Therefore, they must be specialized to benefit from answering many questions. D. Ricardo answered them through his theory in it. He explained that the emergence of trade exchange is due to relative differences, not absolute ones. Therefore, his theory is the basis for the classical theory, and he relies on the fact that international specialization is relative superiority in production expenses, not absolute superiority. However, his theory failed to determine the rate of mutual demand, as this theory assumes. The rule of perfect competition and the law of constant returns with size (Al-Kawaz, 1995, p. 11). The economist (John Stuart Mill) emphasized the theory of comparative advantage instead of relative costs, as he believes that relative costs are nothing but a fixation of the production quantity to show differences in production expenses, which determines the internal exchange rate. Still, it does not apply to the rate of exchange. International exchange and the relative efficiency of labor productivity are the basis for explaining the establishment of international trade, not the difference in relative costs. Accordingly, classical economic thought emphasized the role of international trade in economic growth and as a tool for promoting productive efficiency and achieving optimal distribution of resources. It serves as a growth engine. Accordingly, the effect of capital accumulation appears as a result of the efficient allocation of resources, which leads to an increase in real income, saving, and investment as a result of the expansion of the size of... market and benefit from increased yields and economies of scale (Al-Kawaz, 2009, p. 3).

Among the modern theories is the Heckscher-Ohlin theory, called the theory of proportions of production factors, as he attributed the establishment of international trade to two primary factors: the difference in the relative abundance of production factors among different countries, and the difference in the proportions of mixing production factors in countries that produce different goods (Bakri (2002), p. 47. Therefore, Heckscher-Ohlin rejects the traditional hypothesis that the value of a commodity is determined by the amount of work expended in producing it. Therefore, he proposes adding a set of the following previous value hypotheses. Namely, the technology available to produce the same commodity is the same for producers in one country. Hence, the production of any commodity is the same in one country, and it may or may not be the same between different countries. Different commodities vary in the intensity of their use of the production elements, and consumers' tastes are given such that international trade will keep these tastes the same. Tastes are similar from one country to another. The pattern of income distribution is given and known in different countries, and what is meant is the stability of the income distribution, that is, the stability of the personal distribution (Shehab, 2002, p. 50).

Therefore, the explanation that Heckscher-Ohlin came up with for comparative advantage, and thus the establishment of international trade after all these assumptions, is the difference in the relative abundance or scarcity of the production elements between different countries. There are countries in which the element of labor is available about other elements (such as land and capital) to a greater degree than its availability in other countries, and then countries in which the land element is available to the other elements to a greater degree than its availability in other countries. The same may be true of capital. When the relative abundance of the factors of production differs significantly, the relative prices of the factors of production will show a similar difference. The abundance of land means a decrease in Rent, capital abundance means relatively low-interest rates, labor abundance means low wages.....and so on (Belkacem, 2006, p. 160).

This analysis explains trade patterns by focusing on the differences in the abundance of production factors across countries. The main prediction of this theory is that a country's exports will include goods that make extensive use of its relatively abundant resources. In contrast, its imports will include goods that use relatively scarce resources. However, differences in the relative abundance of factors of production and the differences that will follow in the relative prices of production are not sufficient conditions for differences in the relative prices of goods, which is necessary for establishing international trade. Heckscher adds another condition for establishing international trade in addition to the relative disparity in the prices of factors of production. In the countries that are parties to swap operations, it is the difference in the proportions in which the factors of production are composed in the production process from one commodity to another. For example, the weights of the proportions in which the factors of agricultural production are composed put land first, then labor, then capital. At the same time, the automobile industry, for example, puts capital first. Money is at the forefront, and raw resources do not require agricultural land. If it is not available, the ratio of the price of each commodity in one country to its price in another country will remain constant and unchanged despite the difference in the relative prices of production factors from one country to another; from here, we note that the comparative advantage of this theory lies in its ability to explain the reasons for the difference in comparative advantage between countries, and thus in its ability to predict patterns of free international trade. In addition, this theory indicates that the concept of comparative advantage is dynamic and variable over time, as a country's available supply of production factors changes over time due to changes in the factors determining it (Mohamed Shehata, 2007, p. 123). If international trade is based on the comparative advantage of the availability of these factors, when it exports goods that are dense with the available element and imports goods that are dense with the rare element, as well as the poor distribution of the population, as this distribution is often disproportionate to the area of the land, its fertility, and its natural resources, and workers' wages are low in countries. It is labor-intensive, and vice versa, due to the shortcomings of this theory, which is that it reached equal prices for factors of production in the countries subject to trade. There is a difference in production costs, the absence of complete competition, and the varying abundance of technologies. These and other matters led to the failure of this theory. The theory and this failure led to alternatives, including the product life cycle theory (by Raymond Farnon) (Al-Kawaz, 2008, p. 13). According to this theory, the product goes through three stages:

1- The stage of starting the production of a new product

2- The maturity stage begins with the stabilization of product specifications, and large-scale production begins, including exports to other countries. That is, it allows production factors internationally.

3- The stage of reaching the standard product, consumers getting used to the product, and spreading production methods through licensing agreements and joint projects. Accordingly, it considers economies of scale, the movement of international investment, and the continuity of the theory of comparative advantages. Since the seventies of the last century, modern international trade theory features began to take shape at the hands of Paul Krokman, Dquist, Norman, Lancaster, and P. Krokman, Hellbman, Lancaster, Norman, and Dquist. P. Krugman may see in his criticism of the Heckscher-Ohlin theory Heckscher-Ohlin) that the difference in the endowments of the factors of production between countries can explain trade in raw materials and agricultural products, but it cannot do so in the case of manufactured goods, and between different types of goods of the same commodity, even in light of the differences in the endowments of the factors of production ((David, 1995, pp. 25) Among the criticisms that can be directed at the classical and neoclassical theories is the dominance of perfect competition, while reality indicates the dominance of monopolistic competition, in addition to the fact that the modern theory relies on one productive element, which is work, and the increase in yields with size due to internal savings. Resulting from the improvement in production efficiency and the dominance of monopolistic competition, not perfect competition, that is, the differentiation and heterogeneity of goods, and the freedom to enter and exit the market to produce distinct goods. Accordingly, countries that trade benefit through higher real wages and production of goods, economies of scale, reduced costs, and increased ability to export (Bradford et al., www.nber.org. pdf).

From the above, it has become clear that international trade theories focus on two essential aspects: specialization and expanding the market size. The establishment of trade leads to an expansion of the size of the market, which increases specialization, and then the allocation of resources is more efficient, so economic growth increases and the welfare of society increases.

The third topic is the global economic challenges facing national economies:

The 2022 Trade and Development Report highlighted several global economic challenges facing global economies, which we can summarize as follows:

1- The specter of inflation that haunts the world: The slowdown in growth and acceleration of inflation starting in the second half of 2021 has raised similarities between the current moment and the stagflation that the 1970s witnessed. Policymakers' hope seems that a short, sharp monetary shock—enacted at the end of that decade—can dampen inflationary expectations without triggering a deep recession like the one that characterized the early 1980s and led to a lost decade for many developing countries. However, the current context is very different from the conditions of the economies of the 1970s: financialization, market concentration, and a significant decline in the bargaining power of structural and behavioral changes associated with the depth of the labor force. Today, a shift in economic dynamics in each country has essential implications for dealing with an issue for both developed and developing countries. The first implication is that global core inflation will be fueled by fewer sectors in 2022 than in the 1970s. Second, the recent rise in commodity prices, measured realistically, has been lower than in the 1970s. Third, the energy intensity of GDP has declined significantly since the 1970s, reducing the inflationary impact of rising energy prices. Fourth, nominal wage growth does not keep pace with consumer price index inflation. Hence, the real value of wages in both developed and developing countries are witnessing a state of stagnation or deflation, which

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excludes any role in the spiral of rising wages and prices in fueling inflation. Fifth, developed and developing countries are witnessing high levels of indebtedness in both the private and public sectors, noting that much of the debt of developing countries is denominated in foreign currency and is short-term. Sixth, there are many more independent central banks today than in the early 1980s, and they are subject to clear mandates that require prioritizing inflation targeting and adhering to "transparent" monetary policy rules. At the same time, the spread of financial innovation and the expansion of private credit within a loosely regulated market has created a large and growing spectrum of non-bank financial institutions that constitute a parallel banking system. Such parallel banking has continued to expand in advanced economies and, crucially, in developing economies over the past decade. In the current slow growth environment, inadequately regulated financial markets pose renewed risks to stability in both developed and developing countries.

2- Debt distress: The deterioration of financial conditions from the last quarter of 2021 led to negative net capital flows to developing countries. This year, about 90 developing countries saw a decline in the value of their currencies against the dollar. More than a third saw a decline of more than 10%, coupled with an upward trend in bond yield spreads, an increasing number yielding 10 percentage points higher than US Treasury bonds, and a decline in exchange reserves. Currently, 46 developing countries are highly vulnerable to financial shocks, and another 48 are highly vulnerable to these shocks; thus, a severe threat of a global debt crisis. Developing countries spent an estimated $379 billion in reserves to boost their currencies in 2022, nearly double the new Special Drawing Rights granted to them in the last allocation (excluding China). Global financial conditions, including a round of monetary tightening, have In the United States; additional acute risks are emerging that put many - but not all - developing countries at risk regarding their fragile ability to sustain their debts. The ratio of total external debt stocks to exports (goods and services, including tourism revenues) indicates how countries can meet their obligations, given the importance of export earnings in servicing debt obligations denominated in foreign currencies. In all income groups (low-income countries and middle-income countries - according to the World Bank income classification and excluding China), this indicator increased from an average of 100% in 2010 to 159% in 2020. By 2021, this figure has fallen to 127%, reflecting a much more robust growth in export earnings than external debt stocks this year. This figure is still 18 percentage points higher than the average value of the same index at the height of the quantitative easing crisis in 2013 (108%). Still, it is lower than the value of the index in 2016 (142%) when the first round of monetary tightening began. Three critical factors contribute to pushing most developing economies towards the financial abyss. First, the monetary policy of the United States, following many announced fiscal steps over the past decade, witnessed a decisive round of tightening, accompanied by a rise in the yield of 10-year Treasury bonds by approximately six times between the middle of... 2020 and mid-2022. Second, rising prices in some commodity markets have led to increasing inflationary pressures on a global scale. This has negatively affected importers of commodities from developing countries, but some exporters in developing countries have benefited. Although the prices of essential commodities such as gas (US), wheat, and oil have currently returned to levels close to pre-war levels, third, the COVID-19 pandemic is still casting its shadow in many countries, causing high debt burdens whose effects are still to be seen. It still needs to be settled in these countries.

3- International market trends: Despite the tensions and risks related to policies, global trade is expected to grow in 2022 in a way that almost keeps pace with the global economy, that is, in the range of 2 to 4 percent. This pace will represent a sharp slowdown compared to 2021, mainly due to ongoing supply chain disruptions, weak demand for consumer durables, unjustified tight monetary policy, and high shipping fees. Trade prospects will remain weak after 2022, paralleling the expected slowdown in economic growth. The outbreak of war in Ukraine also coincided with a period in which the prices of various categories of goods were witnessing a historic rise, and the conflict, in addition to the resulting disruption of production, interruption of transportation lines, and the imposition of economic restrictions, resulted in a shortage of international supplies and a sharp rise in prices by 15%. An increase was also observed in the prices of energy commodities, which jumped by 25%, as well as the prices of oil and gas.

4- The dominance of multinational or transnational companies in the global economy and the monopoly of products, goods, and services represents an essential challenge for national and emerging economies in their international trade (Trade and Development Report, 2022, pp. 7-12).

Practical Section: International Trade:

First: Total global exports:

Foreign trade has a vital role in accelerating the process of economic and social development in all countries of the world, as it makes an effective contribution to determining the main features of the economic structure and creating balance and organic interconnection between all sectors, and thus the readiness of these countries to enter into bilateral or collective agreements within specific conditions to reach... The best economic development for the countries within these economic blocs is that through exports, the scope of the market is expanded, which enables the economy to increase its production and the subsequent exploitation of the benefits of expanded production, in addition to its contribution to increasing national income, and thus reflects the extent of the development of the country's capabilities

Statement	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022

in domestic production and its diversity. Table (1) shows the total value of global exports from 2010-2020.

It is clear from the previous table that the total global exports for the year 2010 were (19,082) billion US dollars, and the value of exports continued to rise until it reached (24,111) billion US dollars in 2014, then it decreased and continued to decline until 2017, and in 2018 it reached (25,445). One billion US dollars, and the value of global exports in 2022 reached (31,583) billion.

Table (1): Total value of global exports 2010-2022 (billion US dollars)

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Goods exports	15,099	18,141	18,400	18,859	18,863	16,417	15,923	17,563	19,328	18,749	17,50	22,139	24,487
Services exports	3,983	4,480	4,608	4,889	5,249	5,016	5,093	5,549	6,117	6,309	5,224	6,199	7,096
Total exports	19,082	22,621	23,008	23,748	24,111	21,433	21,016	23,112	25,445	25,057	22,724	28,338	31,583

Source: International Trade Center ITC US dollars

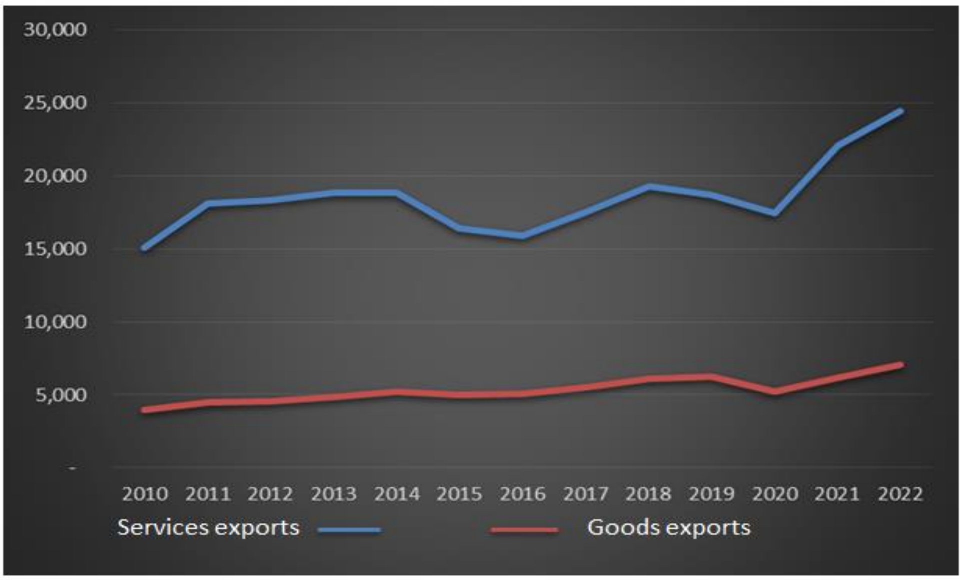


Figure (1): Total value of global exports 2010 - 2022 (billion US dollars)

Table (2): The most important global exporting countries for the year (2022), billion US dollars

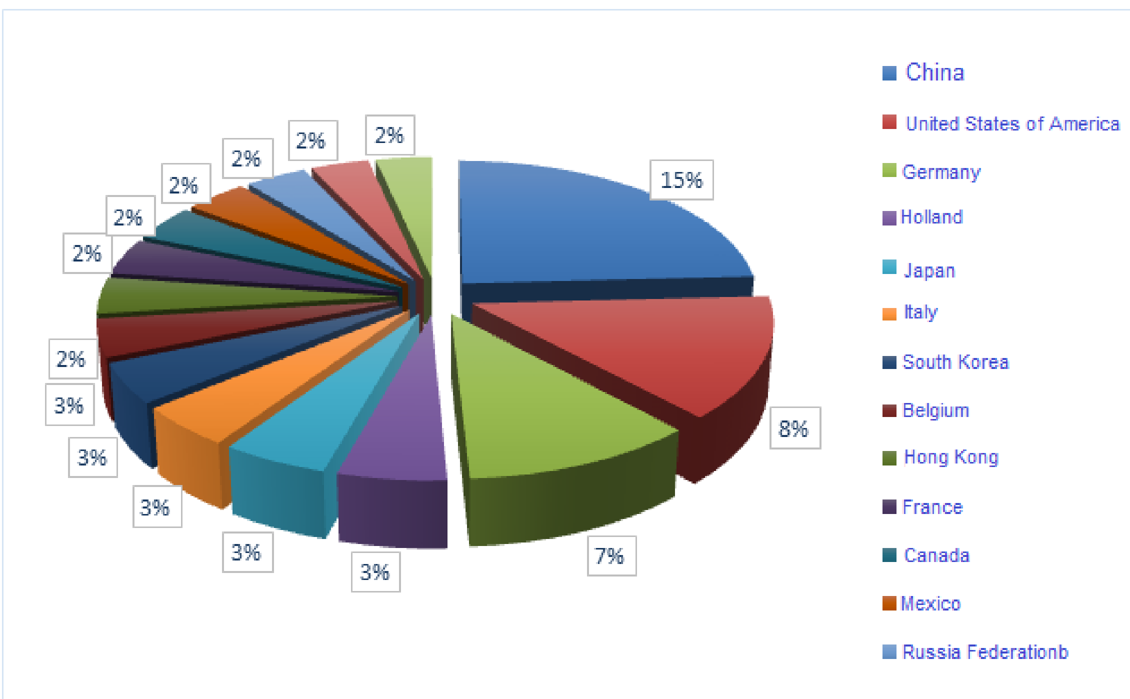
Country	2022
China	3,594
United States of America	2,063
Germany	1,658
Holland	770
Japan	752
Italy	700
South Korea	684
Belgium	636
Hong Kong	611
France	607
Canada	597
Mexico	578
United Russia	565
The United Arab Emirates	530
Singapore	515

Source: International Trade Center ITC

It is clear from the previous table that China leads the world in terms of exports with a value of 3,594 billion US dollars, as China's exports grew with the resumption of work in factories and the decline of logistical obstacles after the authorities eased some anti-Covid-19 restrictions in the city of Shanghai. Followed by the United States with 2,063 billion US dollars, Germany with 1,658 billion US dollars, and the Netherlands with 750 billion US dollars.

The data showed that among the Arab countries, the UAE ranks 14th with a value of 530 billion US dollars due to the forward-looking policies implemented by the UAE government in supporting the country's economic position globally, consolidating the foundations of its new economic model based on knowledge and innovation, and contributing effectively to enhancing its competitiveness. Sustainable, in addition to innovative initiatives, including the Comprehensive Economic Partnership Agreement, the Next Generation Foreign Investments Initiative, programs to support emerging projects, and other initiatives.

Figure (2): Percentage of exports of the most critical countries in the world out of total global exports for the year 2022 (billion US dollars).



Second: Total global imports:

For this reason, the foreign trade sector occupied an essential position in determining the dimensions and path of the comprehensive economic development plan, as exports contribute directly to increasing national income. In contrast, imports indirectly raise national income growth rates by enabling the national economy to obtain investment goods and production.

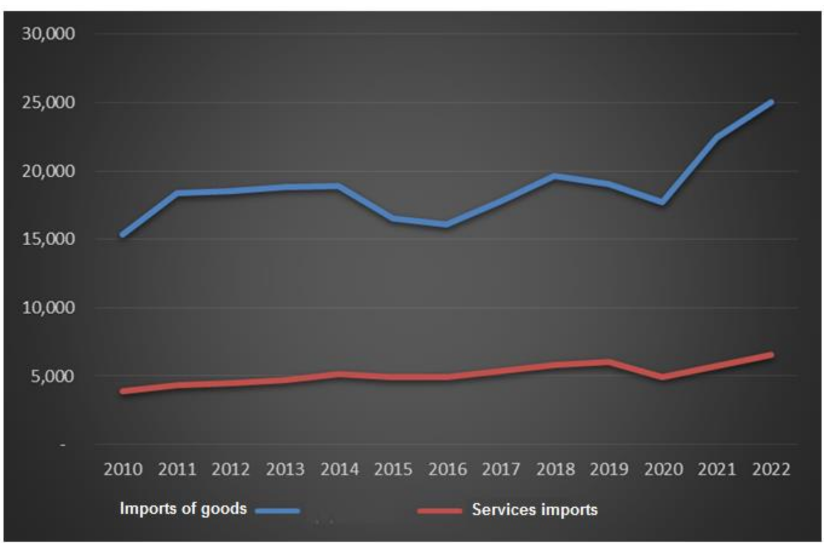
Statement	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Imports of goods	15,342	18,374	18,525	18,869	18,933	16,572	16,079	17,795	19,666	19,090	17,708	22,434
Services imports	3,885	4,338	4,488	4,740	5,167	4,919	4,949	5,363	5,843	6,048	4,963	5,728
Total imports	19,227	22,712	23,013	23,609	24,101	21,491	21,027	23,158	25,508	25,138	22,670	28,162

Table (3): Total value of global imports 2010-2022 (billion US dollars)

Source: International Trade Center ITC

It is clear from the previous table that the total global imports for the year 2010 were (19,227) billion US dollars, and the value of exports continued to rise until they reached (24,101) billion US dollars in 2014, then they decreased and continued to decline until 2017, and in 2018 they reached (25,508). One billion US dollars, and the value of global exports in 2022 reached (31,608) billion US dollars.

Figure (3): Total value of global imports 2010 - 2022 (billion US dollars)



Source: Based on data in Table (3)

The most critical importing countries globally:

Table (4): The most crucial global importing countries for the year 2022 (billion US dollars)

Country	2022
United States of America	3376
China	2716
Germany	1571

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Japan	905
United Kingdom	816
France	812
Italy	743
India	733
South Korea	731
Holland	713
Hong Kong	669
Belgium	624
Mexico	605
Canada	568
Spain	499

Source: International Trade Center (ITC)

It is clear from the previous table that the United States of America is considered one of the largest importing countries in the world, as the value of its imports in 2022 reached 3,376 billion US dollars. This is due to the increase in its imports of crude oil during January of the same year, while China ranks second, as the value of imports reached In 2022 (2716) The reason for this rise in imports is also due to Chinese policymakers who are trying to chart an economic path out of a supply shock that has rocked global trade and financial markets in the past few months. Followed by Germany with 2063 billion US dollars and then Japan with 905 billion dollars. America, then the United Kingdom, with 816 billion US dollars, then France, with 812 billion US dollars.

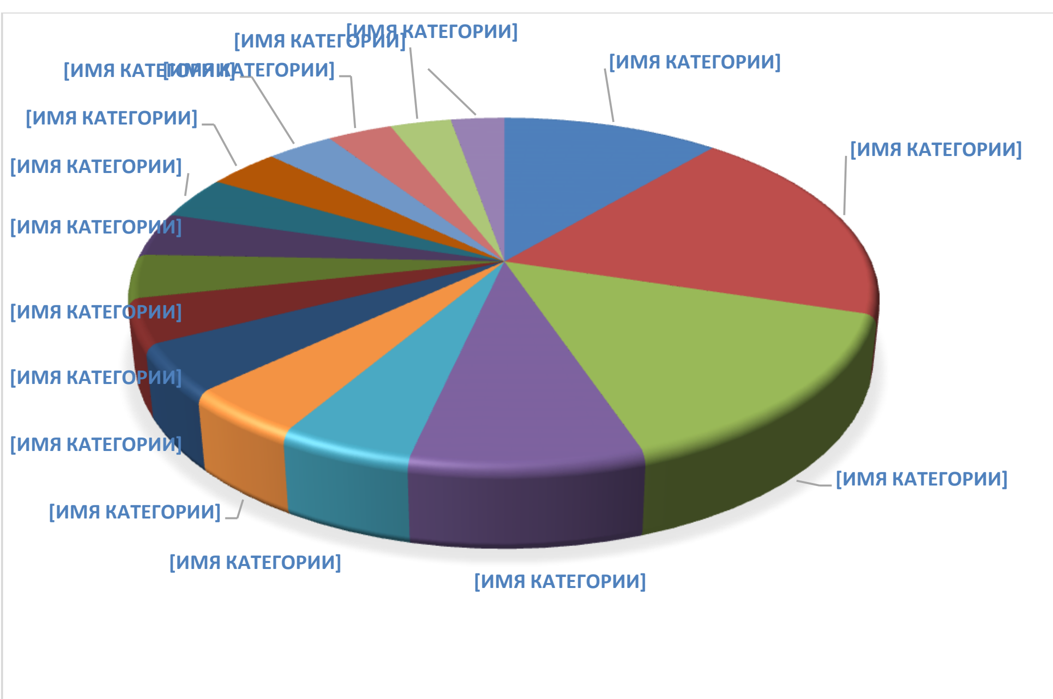


Figure (4): Percentage of imports of the most critical countries in the world out of total global

imports for the year 2022 (billion US dollars)

Source: Based on data in table (4)

Third: The volume of trade and the trade balance in goods and services:

The year 2022 witnessed a noticeable improvement in trade volume, reaching (63,191) billion US dollars, while the trade balance declined in global goods and services. This is due to the rise in oil and non-oil imports, which contributed to achieving a deficit in the trade balance, which reached (26).) One billion US dollars. The following figures show the trade volume and trade balance in goods and services.

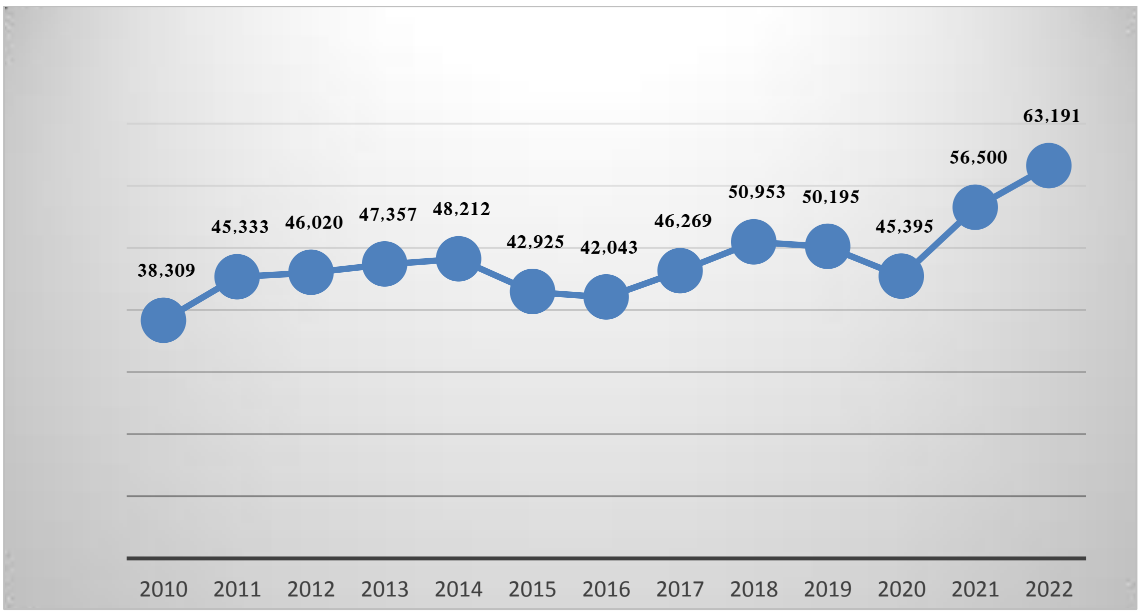


Figure (5): Volume of trade in goods and services (2010-2020), billion US dollars

Source: Based on the data in tables (1, 3)

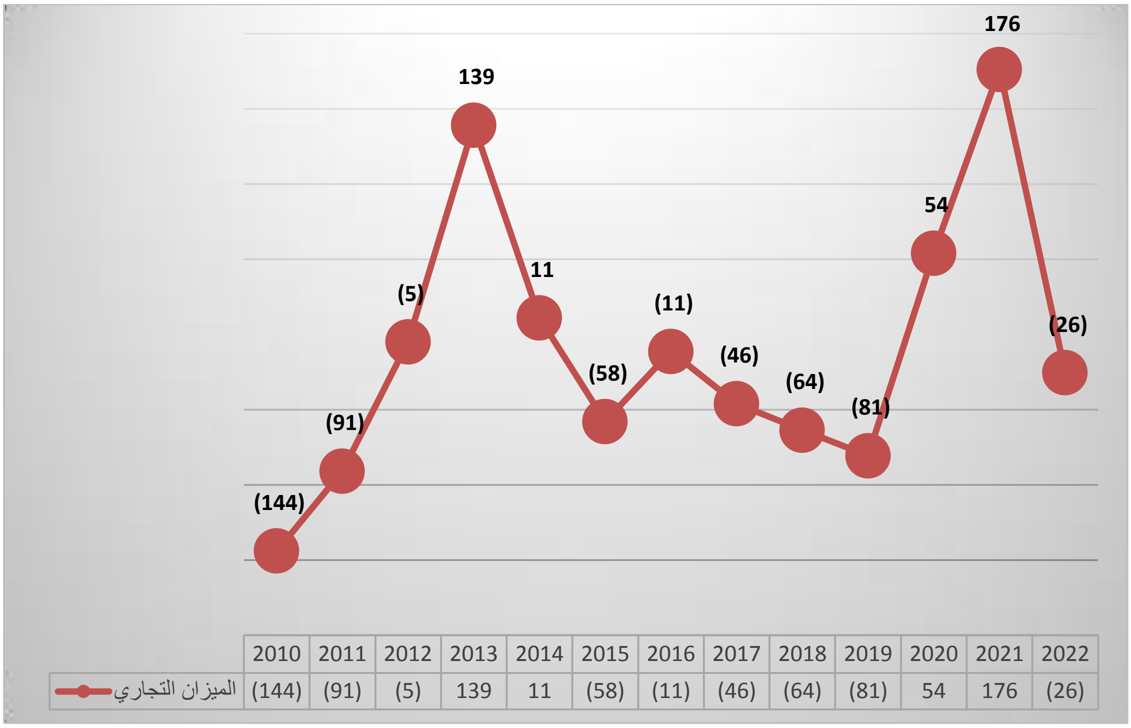


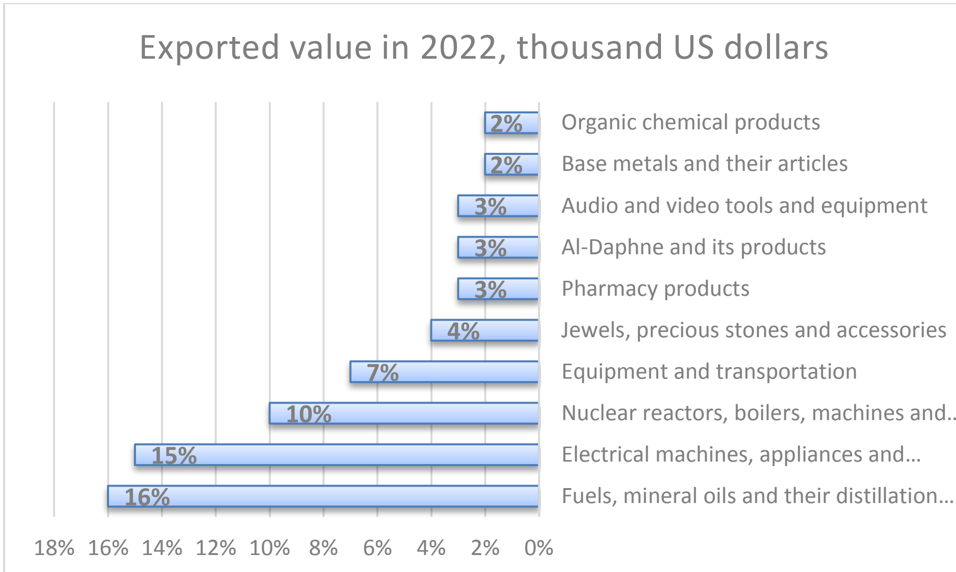
Figure (6): Trade balance in goods and services (2010 - 2020) billion US dollars
Source based on data tables (1, 3)

Fourth: Global merchandise exports by sectors:

The fuel and mineral oils and electrical appliances and tools sectors are the largest sectors of total global exports, with percentages of 16% and 15%, respectively, for the year 2022.

It is calculated according to the following equation (the value of global commodity exports)/(global exports total) x 100:

Figure (7): Percentage of global merchandise exports out of total global exports by sector for the year 2022



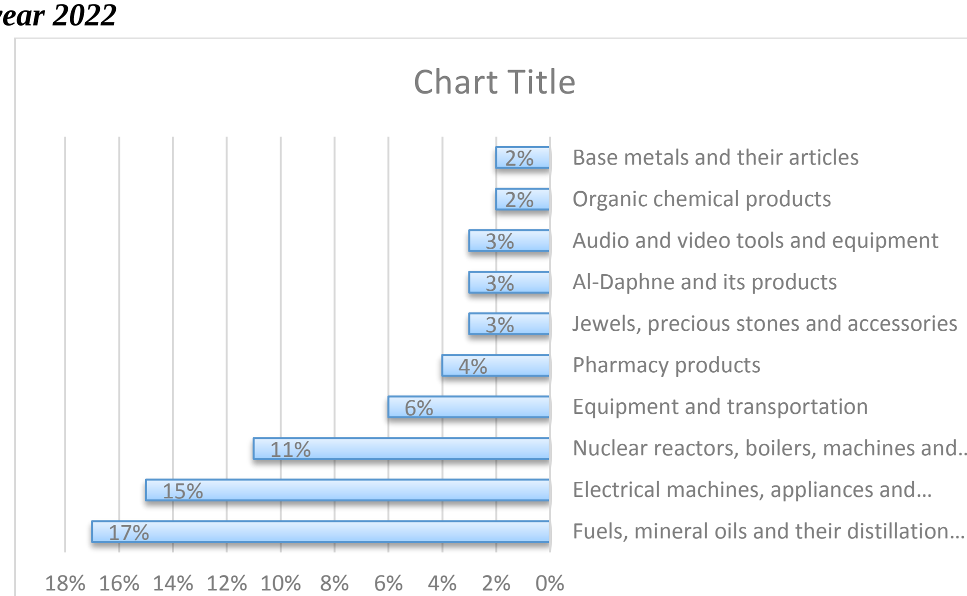
Fifth: Global merchandise imports by sectors:

In addition, regarding imports, the fuel and mineral oils and the electrical appliances and tools sectors are the largest sectors of total global imports, with percentages of 17% and 15%, respectively.

It is calculated according to the following equation

$$100\ x\ \frac{\textit{The value of global imports of a commodity}}{\text{Total global imports}}$$

Figure (7): Percentage of global merchandise imports out of total global imports by sector for the year 2022



Source: From the work of the researcher

Sixth: Global exports of services by sectors:

The other business and transportation sectors are considered among the largest sectors of the total

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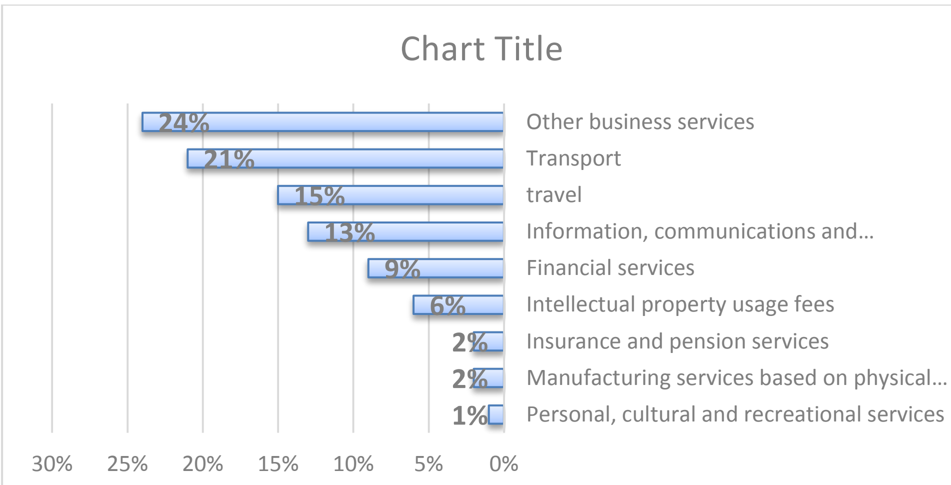
global services exports by sector, at 24% and 21%, respectively, for 2022.

It is calculated according to the following equation:

$$100\ x\,\frac{The\ value\ of\ global\ imports\ of\ services}{\text{Total global imports}}$$

Figure (7): Percentage of global exports of services by sectors out of total global exports by sectors for the year 2022



Source: From the work of the researcher

Seventh: Global imports of services by sectors:

The other business services and transportation sectors are considered among the largest sectors of total global services imports by sector at 25%, followed by the travel sector at 15%.

It is calculated according to the following equation:

$$100\ x\,\frac{The\ value\ of\ global\ imports\ of\ services}{\text{Total global imports}}$$

Figure (7): Percentage of global exports of services by sectors out of total global exports by sectors for the year 2022

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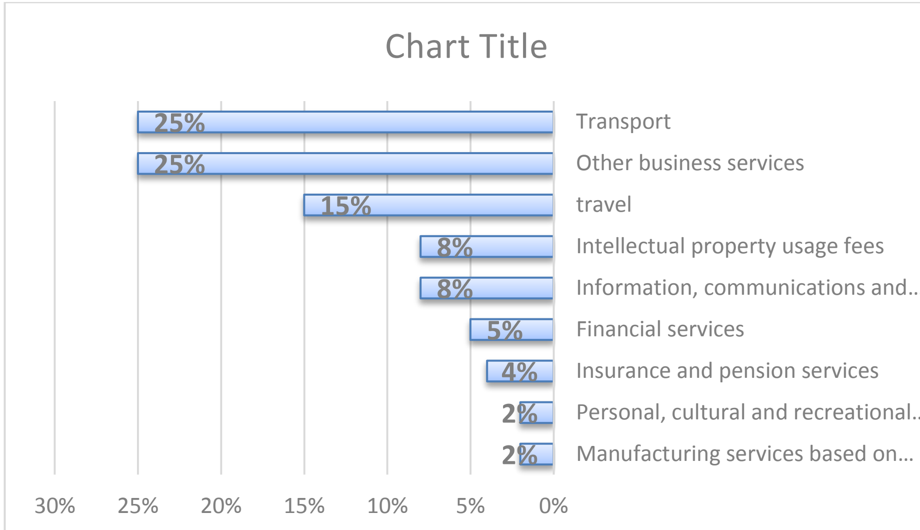

Source: From the work of the researcher

Research results:

1- International trade plays a vital role in boosting the pace of production for the various economic activities of national economies. It is a means that enables countries to achieve growth and move to the take-off stage by relying on the export sector. International trade grew from the mid-nineteenth century until World War I at about twice the Global production rate. Its actual size increased by nearly ten times what it was at the beginning of the period. Various economic theories also emphasized the strong relationship between international trade and economic growth.

2- Today, national economies face many challenges, perhaps the most prominent of which is inflation and recession, the significantly high debt ratio in the world, and turbulent international market trends. Because of the political, military, and economic crises that the world is experiencing, and finally, and perhaps, the most prominent challenge lies in the dominance of multinational companies or transnational companies over the global economy and the monopoly of products, goods, and services, and the difficulty this represents for national and emerging economies.

3- The value of world exports increased between 2010 and 2022, from (19,082) billion dollars to (31,583) billion dollars, and China, the United States, and Germany were at the top of the exporting countries. Imports also increased for the same period, from (19,227) billion dollars to (31,608) billion dollars in 2022, and the United States took the lead with a value of ((3,376 billion dollars). This is due to the increase in its imports of crude oil during January of the same year.

4- The year 2022 witnessed a noticeable improvement in the volume of trade, reaching (63,191) billion US dollars, while the trade balance declined in global goods and services. This is due to the rise in oil and non-oil imports, which contributed to a deficit in the trade balance, which amounted to (26) billion US dollars.

Recommendations:

1- Encouraging and developing exports other than raw materials and competing in global markets.

2- Develop productive sectors using modern technical and technological methods to increase production efficiency, encouraging exports and reducing imports.

3- Stimulating the industrial sector and investing in it to create a solid base to attract investments and capital, thus increasing the productivity of the industrial sectors to develop exported products.

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