

CHARACTERISTICS OR FEATURES OF INTERNATIONAL TRADE:

The following are the distinguishing features of international trade:

- 1. Immobility of Factors:** The degree of immobility of factors like labour and capital is generally greater between countries than within a country. Immigration laws, citizenship, qualifications, etc. often restrict the international mobility of labour.
- 2. Heterogeneous Markets:** In the international economy, world markets lack homogeneity on account of differences in climate, language, preferences, habit, customs, weights and

measures, etc. The behaviour of international buyers in each case would, therefore, be different.

3. Different National Groups: International trade takes place between differently cohered groups. The socio-economic environment differs greatly among different nations.

4. Different Political Units/Legal Systems: International trade is a phenomenon which occurs amongst different political units.

5. Different National Policies and Government Intervention: Economic and political policies differ from one country to another. Policies pertaining to trade, commerce, export and import, taxation, etc., also differ widely among countries though they are more or less uniform within the country. Tariff policy, import quota system, subsidies and other controls adopted by governments interfere with the course of normal trade between one country and another.

6. Different Currencies: Another notable feature of international trade is that it involves the use of different types of currencies. So, each country has its own policy in regard to exchange rates and foreign exchange.

7. Procedures and documentations: The different laws and customs of trade in each country demand different procedures and documentary requirements for the import and export of the goods and services.