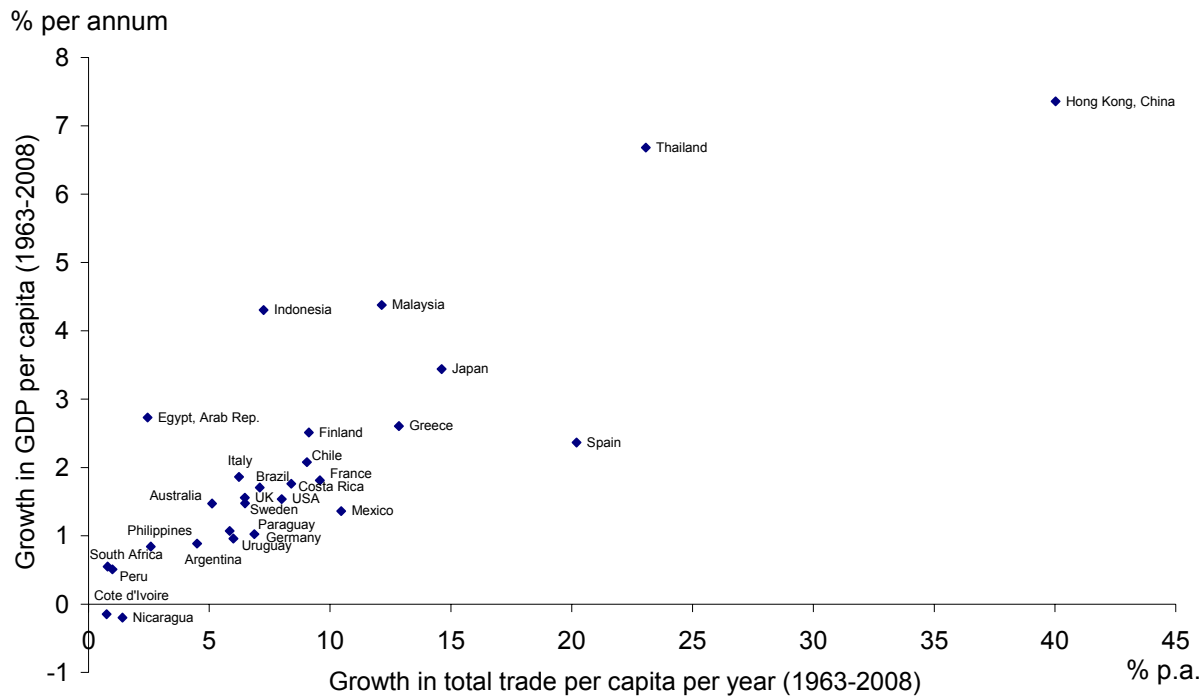


- The gradual **removal of barriers to international trade** - including the creation of free trade blocs, such as the European Single Market, NAFTA and Mercosur, and the widening influence of the World Trade Organisation.
- **Globalisation** – as new markets have opened up and more companies have established international operations and foreign subsidiaries.
- **Increased specialisation** – encouraging countries to focus on the activities in which they have a comparative advantage, and trade with other countries that have an advantage in the production of other goods and services.
- **Global communications** – enabling companies to market their products around the world, and communicate with customers and suppliers in other countries.
- **More favourable political background** – allowing increased trade with former communist countries – a number of whom are now members of the EU – and China.

**Chart 2-1: Economic growth and trade**



Source: WDI, Oxford Economics calculations