



Why Developed Countries Dominate World Trade

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2. Political risk is low.
3. Infrastructure is similar and is well developed.
4. Convertible currencies.
5. Import channels are similar.
6. Market volume is high.
7. High disposable income levels.
8. Geographic proximity. (Over 50% of US trade is w/Canada & Mexico).
9. Favorable investment climate.
10. Parties to Trade & Tax agreements.
11. Literacy rate is high & is similar.
12. Cultural obstacles are lower.
13. Parties to International Agreements & Treaties.
14. Similar legal structures.
15. Language.
16. The teledensity rate (telephones per 1000 population) in Developed counties is roughly 54% as opposed to 5.5% for emerging markets (yes, only 5 telephones per 1000 people!).