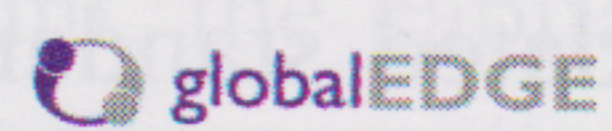


6. Reread the Country Focus on moving white-collar jobs offshore.
 - a. Who benefits from the outsourcing of skilled white-collar jobs to developing nations? Who are the losers?
 - b. Will developed nations like the United States suffer from the loss of high-skilled and high-paying jobs?
 - c. Is there a difference between the transference of high-paying white-collar jobs, such as computer programming and accounting, to developing nations, and low-paying blue-collar jobs? If so, what is the difference, and should government do anything to stop the flow of white-collar jobs out of the country to countries such as India?
7. Drawing upon the new trade theory and Porter's theory of national competitive advantage, outline the case for government policies that would build national competitive advantage in biotechnology. What kinds of policies would you recommend that the government adopt? Are these policies at variance with the basic free trade philosophy?
8. The world's poorest countries are at a competitive disadvantage in every sector of their economies. They have little to export. They have no capital; their land is of poor quality; they often have too many people given available work opportunities; and they are poorly educated. Free trade cannot possibly be in the interests of such nations. Discuss.

Research Task



globaledge.msu.edu

International Trade Theory

Use the globalEDGE website (globaledge.msu.edu) to complete the following exercises:

Exercise 1

The *World Trade Organization International Trade Statistics* is an annual report that provides comprehensive, comparable, and updated statistics on trade in merchandise and commercial services. The report allows an assessment of world trade flows by country, region, and main product or service categories. Using the most recent statistics available, identify the top 10 countries that lead in the export and import of merchandise trade, respectively. Which countries appear in the top 10 in both exports and imports? Can

you explain why these countries appear at the top of both lists?

Exercise 2

Food is an integral part of understanding different countries, cultures, and lifestyles. You run a chain of high-end premium restaurants in the United States, and you are looking for unique Australian wines you can import. However, you must first identify which *Australian suppliers* can provide you with premium wines. After searching through the Australian supplier directory, identify three to four companies that can be potential suppliers. Then develop a list of criteria you would need to ask these companies to select which one to work with.

CLOSING CASE

The Rise of India's Drug Industry

One of the great success stories in international trade in recent years has been the strong growth of India's pharmaceutical industry. The country used to be known for producing cheap knockoffs of patented drugs discovered by Western and Japanese pharmaceutical companies. This made the industry something of an international pariah. Because they made copies of patented products,

and therefore violated intellectual property rights, Indian companies were not allowed to sell these products in developed markets. With no assurance that their intellectual property would be protected, foreign drug companies refused to invest in, partner with, or buy from their Indian counterparts, further limiting the business opportunities of Indian companies. In developed