

ДВИГАТЕЛИ НА ФОРМИРАНЕ НА ГЛОБАЛНИЯ СТОКОВ ПАЗАР

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Резюме: Изследването разглежда структурните промени, настъпващи през 21 век, епохата на променяща се световна икономика под влиянието на научно-техническата революция, специализацията и сътрудничеството в сферата на промишленото производство и качествените промени в областта на глобализацията на стоковите пазари. Протичащите процеси на промени не са свършени и многото недостатъци, които ги съпътстват, изискват допълнителни научни изследвания. Целта на проучването е да се определи ролята на двигателите на формиране на световния стоков пазар. В статията се изследва същността на факторите за формиране на световния стоков пазар и неговите компоненти. Определя се влиянието, което оказва либерализацията на търговията върху формирането на глобалния стоков пазар; анализират се развитието на информационните технологии в областта на комуникациите, обработката на информация, транспортните технологии, както и енергичните действия от страна на многонационалните компании.

Ключови думи: либерализация, глобализация, стоков пазар, мултинационални компании, информационни технологии

JEL: F6, F10, F13, F23, O10

DRIVERS OF GLOBAL COMMODITY MARKET FORMATION

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Abstract: The research reviews structural changes taking place in the 21st century, which is an era of shifts in the world economy, occurring under the influence of scientific and technological revolution, specialization and cooperation of industrial production and contributing to qualitative changes in the field of globalization of commodity markets. These processes are imperfect and, due to many shortcomings, require further scientific research.

The purpose of the study is to determine the role of drivers of the global commodity market shaping.

The article investigated the essence of factors of the global commodity market formation and its components. Influence of trade liberalization on formation of global commodity market was determined; the development of information technologies in the field of communications, information processing, transport technologies, as well as vigorous action of multinational companies were analyzed.

Keywords: liberalization, globalization, commodity market, multinational companies, information technology.

JEL: F6, F10, F13, F23, O10

Introduction

The modern world is developing toward the formation of a global economy, in which goods, services, financial capital, people, information, knowledge, and ideas freely cross the geographical borders of states. Brand new entities (such as global market or global company) and phenomena (global competition, global cooperation, etc.) emerge, as well as an increasing level of consumer demands that require constant updating and differentiation of goods and services.

In order to achieve this goal, the following scientific tasks have been set:

- to reveal the essence of drivers formation of the global commodity market and its components;
- determine the impact of trade liberalization on the formation of the global commodity market;
- analyze the development of information technologies in the field of communications, information processing, transport technologies;
- study the activities of multinational companies

Such methods as analysis, synthesis, abstract and logical methods helped to formulate conclusions. The driving force of the globalization process of commodity markets includes such basic macro-factors: liberalization of international trade, information technologies development, proactivity of multinational companies.

1. Liberalization of international trade

Liberalization of international trade, thus, the reduction of barriers to the free flow of goods, services and capital, which took place after the end of World War II.

In the period from 1920 to 1930, most national economies created huge barriers to international trade, some of which took the form of high tariffs on imports of manufactured goods. The main purpose of tariffs on imports of manufactured goods was to protect domestic industry from foreign competition. Subsequently, countries started raising trade barriers against each other, which led to a decline in world demand and contributed to the Great Depression of the 1930s.

Drawing on this experience, the leading twenty-three industrialized nations, led by the United States, Canada and the United Kingdom, have decided to remove barriers and establish free movement of goods between countries after the Second World War, which led to the conclusion of the General Agreement on Tariffs and Trade (GATT).

In 1947, the GATT created a new basic group of rules and exceptions for regulating international trade between the members, fixing the initial tariff reductions that the member states undertook to set. Tariff reductions significantly lowered average tariffs in 1952. In the following years, more countries joined the GATT and further negotiations on trade liberalization carried on.

Table 1 presents the official calculations of GATT tariff levels in the leading Western European countries for 2017, as well as estimates for previous years.

Table 1
Average tariff rates in leading countries (percentage)

Countries	1913	1925	1931	1952	1990	2000	2005	2010	2017
Belgium	6	7	17	-	4,8	2,3	2,3	1,9	1,8
France	14	9	38	19	4,8	2,3	2,3	1,9	1,8
Germany	12	15	40	16	4,8	2,3	2,3	1,9	1,8
Italy	17	16	48	24	4,8	2,3	2,3	1,9	1,8

The UK	-	4	17	17	4,8	2,3	2,3	1,9	1,8
USA	32	26	35	9	3,9	2,1	1,8	1,7	1,7

Source: Irwin (1994); World Bank (2017)

Table 1 illustrates the structure of new trade barriers imposed by the United States and a number of other European countries during the Great Depression. Obviously, the rates during the Depression were much higher than current ones.

Nowadays, according to the World Bank, the United States applies a weighted average tariff of 1.7% on imports, one of the lowest in the world, equivalent to the EU. Although most developed countries insist on lowering trade tariffs, they are still very high in some parts of the world. For example, India has a weighted average rate of 5.8%, while in China the rate is 3.8%. In African countries, one of the highest rates is in Gabon - 16.9%. The Bahamas is the country with the highest weighted average tariff in the world - 18.6%.

Notwithstanding the financial crisis of 2008-2009, which led to the fall of world production and the trade wars between such leading countries as the USA, China, the EU, a return to the restrictive trade policy of the 1920s and 1930s is quite unlikely, though it is unknown whether the most industrialized countries support further reduction of trade barriers. Yes, after decades of trade liberalization, the US President Donald Trump can make drastic changes. Such steps will limit the supply of some cheap goods from abroad through doubling the tariffs, as well as punishing companies leaving the country, and balancing trading accounts with strong exporters, especially with China. Thus, if trade barriers will stop reducing, it may slow down the pace of market globalization.

Liberal international economic activity, including trade, aims at achieving such a state of economic relations that would satisfy all, or at least most countries. That is, the essence of the liberal context of world economic development is the achievement of equilibrium in international economic relations. Of course, it means that this condition is perfect and it is almost impossible to reach. However, as a goal that characterizes the focus of the liberal process, it does not only have the right to exist, but also provides the movement to a truly optimal state of any economic system - dynamic equilibrium (Onyshchenko, V. P., & Hashchytskyi, O. A., 2014).

In 1995, the World Trade Organization (WTO) was established for negotiating trade agreements, settle trade disputes among the participating countries, and seek to reduce customs tariffs and other trade barriers. One of the obstacles to liberalization remains the inefficiency of the anti-dumping policy applied in unfair trading practices (dumping).

In case of a threat to competing national industries, the WTO agreement allows governments to act against dumping, but unless the government proves that dumping occurs by comparing the export price with the domestic market price.

Table 2 shows the application of anti-dumping measures by member states of the WTO in 1995-2017.

Table 2
Geography of the application of anti-dumping measures by WTO member countries (from 1995 to 2017)

Country	Number of anti-dumping measures applied by the country	Number of anti-dumping measures applied against exports of the country
Ukraine	43	92
Mexico	122	78
South Africa	137	77
Australia	151	33
Turkey	189	93
China	197	1270
Argentina	241	47
Brazil	251	148
EU	325	123
USA	427	283
India	656	227

Source: Anti-dumping initiations: by reporting Member (2018)

Table 2 illustrates that countries actively used anti-dumping measures during the period of 1995-2017. Unlike the others, the government of India has imposed the biggest number of anti-dumping measures - 656, the US - 427, the EU - 325. The governments of Brazil, Argentina, China, and Turkey also use the following trade policy methods in their practice.

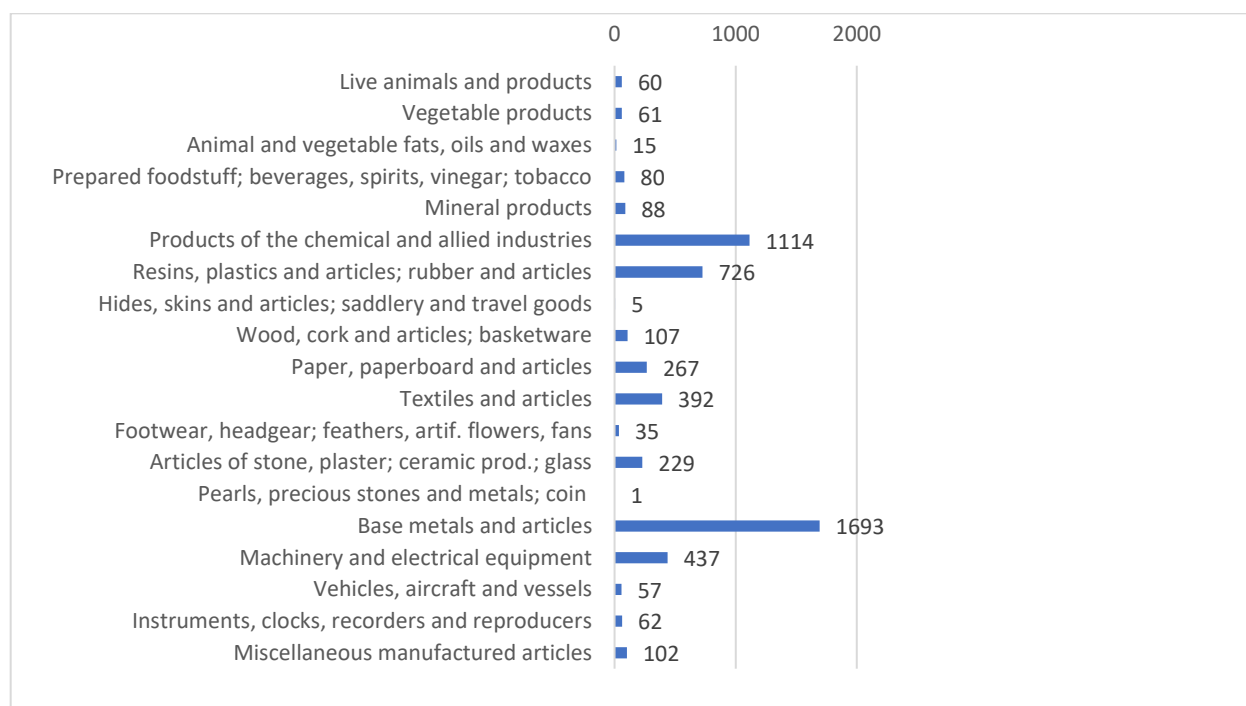


Fig. 1. Number of anti-dumping measures by sectors during 1995 - 2017

Source: Anti-dumping initiations: By Sector (2018)

Due to the fact, that China is a leading exporter in the world market of goods, it has competitive commodities in the domestic markets of many countries. Besides, it is the leader in the number of the taken anti-dumping measures - 1270.

When it comes to the application of anti-dumping measures, Figure 1 shows that most of them took place in 1995-2017. They have been applied to precious metals and articles thereof, as well as to the products of the chemical and related industries; polymeric materials, plastics and articles thereof; machines, equipment and mechanisms, as well as electrical equipment.

2. Development of information technologies

Development of information technologies, namely technological changes in the last decades in the field of communications, information processing, transport technologies.

The globalization of markets became theoretically possible after the reduction of trade barriers. However, it has become a reality after technological innovations. Significant changes in communications, transportation technology, information processing, as well as the emergence of the Internet, have taken place after the end of World War II.

Over the past two decades, information technology has been developing rapidly around the world. Leader countries have been able to make great strides in establishing global communications. Before information technology became widespread, developing countries had virtually zero connections in global politics and the economy (Denysov, 2016).

Telecommunications helped to create a global audience. That is, no matter where people live, they watch the same TV shows and wear the same clothes. Following things have been developed over the last 30 years in the field of communications: fiber optics; wireless technologies; satellite communication; Internet and World Wide Web; as well as a microprocessor that has led to an increase in powerful and low-cost computing along with an increase in information for processing by firms and individuals.

Although, the total number of global users is constantly increasing, there is a difference between the level of Internet access in developed and developing countries (Figure 2). In developed countries, the Internet availability is very high, it covers commerce, social interaction, politics, culture, daily life. Though, the internet access in developing countries is increasing, there is still a long way to go before the full penetration of the Internet.

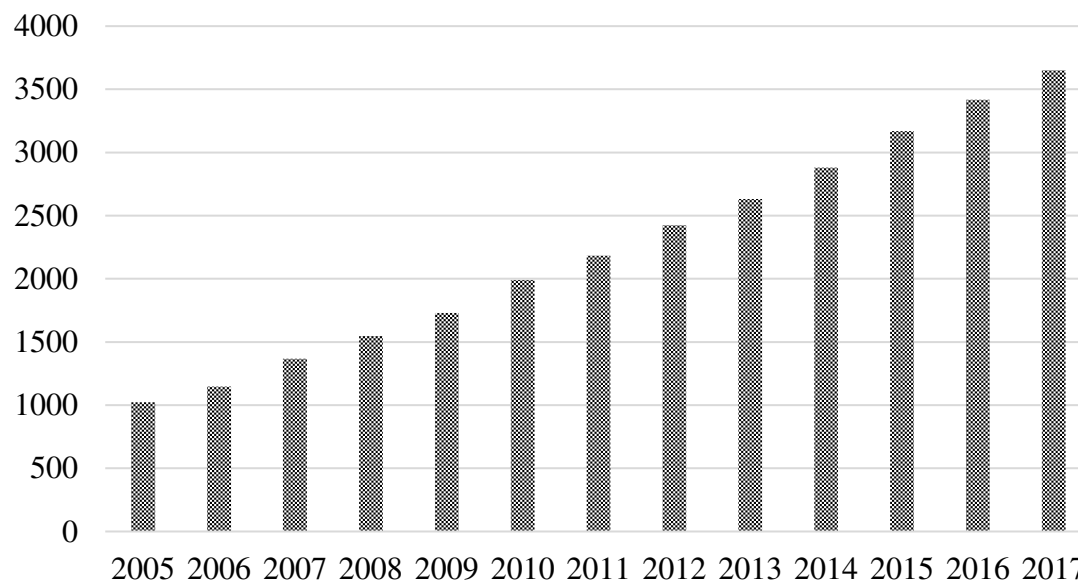


Fig. 2. The number of Internet users worldwide from 2005 to 2017 (in million)

Source: Internet World Stats (2018)

E-commerce has emerged after the advent of the Internet, which has become a new impetus for the globalization of business. For example, one can start an online business and trade all over the world without any hindrance. Trading platforms such as Amazon, eBay, and Alibaba have enabled small enterprises and individuals to enter global markets, ensuring fast and low-cost communication between businesses and their consumers around the world.

E-commerce has different names - cross-border trade, business without borders, international online retail. Global e-commerce sells products or services across geopolitical borders from the company's country of origin.

The rise of global e-commerce illustrates how the growing use of information technology is reshaping manufacturing and commerce, with serious consequences for developing countries. According to UNCTAD (United Nations Conference on Trade and Development), global e-commerce reached 29 trillion dollars in 2017. The list of the top 10 countries in total e-commerce sales has remained unchanged since 2016; the US is the market leader. The top three leaders of B2C (Business-to-Consumer, Business for Consumer) e-commerce sales were led by China, followed by the US and UK (Table 3).

Table 3.

Top 10 countries with the biggest e-commerce markets in 2017

Country	Total e-commerce sales (billion US dollars)	B2C (billion US dollars)
USA	8 883	753
Japan	2 975	147
China	1 931	1 062
Germany	1 503	88
Republic of Korea	1 290	69
The UK	755	206

France	734	92
Canada	512	60
India	400	31
Italy	333	23

Source: Digital Economy Report (2019)

Transportation technologies have undergone significant changes, such as the invention of jet aircraft after World War II, which significantly reduced the length of time spent flying from one place to another, as well as the introduction of shipping containers, which reduced long-distance shipping costs. For example, countries such as China and India gained significant economic benefits by using aircrafts and shipping containers, which allowed them to make export and import operations with the United States and European countries.

Technological changes have influenced the first economically sound models of productivity and employment. With the improvement of air and sea transport, the worldwide flow of people and goods has accelerated, causing even greater interdependence between businesses and countries. Developed and developing countries seek to align with partners in order to make better use of technology for enhancing everyone's living standard. They take into account common interests and strengths, as well as conclude agreements on joint production and transnational mergers.

3. Activity of transnational companies

Transnational companies (TNCs) play an important role in the globalization process, because:

- their activities and needs are at the heart of organizational and technological innovation, and thereby at the heart of productive forces; second,
- the latter account for the largest number of international transactions;
- they are the only actor who can truly plan, organize and control cross-border activities at the current stage of the global economy;
- multinationals are able to take full advantage of the benefits of information and communication technologies and to promote their dissemination and development;
- unlike many other actors in the world economy, TNCs are more active than passive participants in globalization processes (Lymonova, E. M., & Arkhipova, K. S., 2014)

According to UNCTAD, there are now approximately 82,000 TNCs operating in the world, with about 810,000 branches outside their countries of origin, compared to 7,000 in 1970. The most powerful of these are 500 TNCs, which control up to 60% of the world industrial production, 65% in foreign trade, 37% in services and 3% - in mining and agriculture. TNCs provide for the majority of payments related to the transfer of new technologies. In the US, their share is 80%, in the UK - 90% (World Investment Report, 2017). According to Fortune, corporations in China outnumbered American companies for the first time in world history - 121 American versus 129 Asian. The top 500 companies in the world generated 30 trillion dollars in revenue in 2017. Overall, according to the Fortune Global 500, TNCs employ 67.7 million people worldwide, and are present in 33 countries (Fortune Global 500, 2018) in 2017.

Table 4 lists the world's largest public companies in 2017 from 18 countries, rated by Forbes Global 2000. The US is definitely the leader in the number of companies. The number of multinationals has dropped by about 200 in the US in recent

years, with sales in 2017 (8.8 trillion dollars) compared to 2003 (\$ 11.1 trillion); profit for the same period increased from \$ 570 billion to \$ 980 billion. In China, the number of companies increased from 25 to 233 during this period. Overall, poorer countries are increasing the number of leading companies, while richer countries are reducing their number.

Table 4
Ranking of the world's largest publicly traded companies in 2017

Ranking 2017	Economy	Amount in 2017	Amount in 2003
1	USA	559	751
2	China	233	25
3	Japan	228	316
4	The UK	88	137
5	Republic of Korea	67	49
6	Hong Kong (China)	58	24
7	India	58	27
8	France	57	63
9	Germany	54	65
10	Canada	51	56
11	Taiwan	47	35
12	Switzerland	41	34
13	Australia	39	37
14	Sweden	27	26
15	Italy	26	41
16	Russia	25	12
17	Spain	25	29
18	The Netherlands	22	28

Source: *Forbes Global 2000* (2017); *Transnational corporations investment and development* (2018)

The reasons for the formation and development of TNCs are very diverse, but they are all (to a certain extent) related to imperfect competition, barriers to international trade development, currency control, significant transportation costs, differences in tax laws of different countries (Lymonova, EM, & Arkhipova, KS, 2014).

TNCs control more than half of the world trade and finance currently, the most profitable industries and productions in different countries. To date, TNCs are the basis of the national economic complex of countries with developed market economics. An important role in the transformation of the world economy into international production belongs to the transnational financial-industrial groups (TFPG) as one of the most widespread forms of TNCs, which ensured the development of scientific and technological progress in all its directions: technical level and product quality; production efficiency; improvement of management forms, enterprise management. Contemporary TNCs, in addition to existing international exchange of goods and services, have created international production and the appropriate service sector, contributing to the transformation of mainly local (intercountry, regional) international economic relations into global ones (Makedon, 2012).

Today's world has created a qualitatively new field of global competition. Creating networks of global corporations established new hegemony and counter-hegemony. The current trends in the global dynamics of TNCs' activities include:

- increasing the monopolization of world commodity and factor markets;
- exacerbation of global competition in these markets (as a consequence of the activities of TNCs and the global economic integration of global markets formation);
- domination of international capital flows between developed countries, which is also a consequence of intensification of processes of capital concentration and business;
- establishment of global corporations, first of all by concluding agreements on cross-border mergers;
- formation of new transnational business countries among a group of developing countries and countries with transition economies;
- intensification of international capital flows among the group of developing countries and among transition economies;
- concentration of service outsourcing in developing countries;
- transfer of TNCs into the markets of countries with capital-intensive and knowledge-intensive production (Oriekhova, 2007)

Conclusions

Free trade policy helps to facilitate the process of globalization, which is gradually expanding the economic space for access to the market for producers and investors. Despite WTO assistance in trade liberalization, the number of restrictive measures continues to grow in the world. Trade wars are now in an active stage, and economists do not expect them to be over in the nearest future. This state is particularly dangerous in the context of the crisis of the WTO dispute settlement system, which will probably become permanent due to imperfect procedures.

Technology plays an important role in the globalization of international commodity markets. Technology has revolutionized the global economy by making it possible for software experts to collaborate online with companies around the world. It also helped to overcome the main obstacles to globalization of international trade (trade barriers, transport costs, delayed exchange of information), thereby changing market place; technological progress has contributed to the creation and growth of the world market.

A qualitative aspect of globalization is the production activity of multinational companies, which is growing at a faster rate than international trade. The rapid development of technological innovations and the proliferation of transnational organizations are promoting the emergence of a global economy that sometimes conflicts with nationalist concerns about maintaining comparative advantage and competitiveness.

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Съдържание

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Детерминанти на борсовата активност в условията на българския фондов пазар

JEL: G19, E44, C32

Ключови думи: борсова активност, детерминанти на борсовата активност, индикатори на борсовата активност, борсов обем, борсов оборот, стационарност, случайно блуждаене, авторегресия

Резюме: Популярните научни и практически изследвания на фондовите борси обичайно разглеждат ценовите индикатори и най-вече борсовите индекси, което по същество отразява икономическите очаквания. За разлика от тях, настоящото изследване е...

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Ключови думи: динамични способности, конкурентоспособност, конкурентни предимства

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[Юлия Ишчук](#)

Двигатели на формиране на глобалния стоков пазар

JEL: F6, F10, F13, F23, O10

Ключови думи: либерализация, глобализация, стоков пазар, мултинационални компании, информационни технологии

Резюме: Изследването разглежда структурните промени, настъпващи през 21 век, епохата на променяща се световна икономика под влиянието на научно-техническата революция, специализацията и сътрудничеството в сферата на промишленото...

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JEL: K21, L44

Ключови думи: конкуренция, монопол, антимонополна комисия, Закон на Шерман, Закон за Федералната комисия по търговията, Закон на Клейтън

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Ефекти от потребителското позициониране на предприятията за търговия с животозастрахователни продукти в България

JEL: M31

Ключови думи: животозастраховане, потребителски нагласи, анкетно проучване, конкуренция

Резюме: Животозастрахователният пазар бележи ръст с всяка изминала година в страните от ЕС, а практическият и научен интерес към животозастраховането в специализираната литература е съвременна тема. За разлика от общоевропейските тенденции,...