|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Destination** | | | | | |  |
|  | 8  8  4  4 | *15* | *11*  8  8 | 8  8  3  3 |  |  |
| **Origin** | **1** | **2** | **3** | **4** | **Supply** |  |
| **1** | 20  **X** | 22  **40** | 17  **X** | 4  **80** | 120 | 13, *13* |
| **2** | 24  **40** | 37  **X** | 9  **30** | 7  **X** | 70 | 2,2,2,17 |
| **3** | 32  **20** | 37  **X** | 20  **X** | 15  **30** | 50 | 5,5,5,*17* |
| **Demand** | 60 | 40 | 30 | 110 | 240 |  |

2. Minimize the total transportation cost using Vogel's approximation method.

Total transportation cost = 22 x 40 + 4 x 80 + 24 x 40 + 9 x 30 + 32 x 20 + 15 x 30 =$**3,520**

1. What has aided the globalization phenomena in relation to the location of facilities in the last 25-30 years? Write about the factors which influenced this change.

Current globalization trends can be largely accounted for by developed economies integrating with less developed economies by means of [foreign direct investment](https://en.wikipedia.org/wiki/Foreign_direct_investment), the reduction of trade barriers as well as other economic reforms, and, in many cases, [immigration](https://en.wikipedia.org/wiki/Immigration).

[International standards](https://en.wikipedia.org/wiki/International_standard) have made trade in goods and services more efficient. An example of such standard is the [*intermodal container*](https://en.wikipedia.org/wiki/Intermodal_container). [Containerization](https://en.wikipedia.org/wiki/Containerization) dramatically reduced transport of its costs, supported the post-war boom in [international trade](https://en.wikipedia.org/wiki/International_trade), and was a major element in globalization.

A [free-trade area](https://en.wikipedia.org/wiki/Free-trade_area) is the region encompassing a [trade bloc](https://en.wikipedia.org/wiki/Trade_bloc) whose member countries have signed a [free-trade](https://en.wikipedia.org/wiki/Free_trade) agreement (FTA). Such agreements involve cooperation between at least two countries to reduce trade barriers – [import quotas](https://en.wikipedia.org/wiki/Import_quota) and [tariffs](https://en.wikipedia.org/wiki/Tariff) – and to increase trade of [goods](https://en.wikipedia.org/wiki/Good_(economics)) and services with each other., e.g. North American Free Trade Agreement (NAFTA.)

If people are also free to move between the countries, in addition to a free-trade agreement, it would also be considered an [open border](https://en.wikipedia.org/wiki/Open_border), e.g. The European Union (EU) has developed [European Single Market](https://en.wikipedia.org/wiki/European_Single_Market) through a standardised system of laws that apply in all member states. EU policies aim to ensure the [free movement of people, goods, services, and capital](https://en.wikipedia.org/wiki/Single_market) within the internal market.

Main Reference :

<https://en.wikipedia.org/wiki/Globalization#Economic_globalization>