

## RESEARCH WORK #2 - MARKET INTEGRATION

Christian Paean Ylai F. Bisquera

Section: 6605-AY124

1. Causes of Market Integration ([www.studysmarter.co.uk](http://www.studysmarter.co.uk))

In addition to policy factors, rapid technological improvements have contributed to market integration in significant ways. Technology has made it easier and cheaper to connect different markets, expand business operations, and source products from diverse origins. Here are a few ways in which technological advancements enhance market integration:

**Advancements in Communication Technologies:** Developments like the internet and mobile technology have interconnected the globe like never before. They facilitate real-time updates on prices and trends, vital for synchronised market movements.

**Improvements in transportation:** Advancements in transportation technologies, be it faster ships, larger aircraft, or more efficient logistics, have helped to condense geographical distances and efficiently move goods across regions and countries, thus integrating markets.

**Online Platforms and E-commerce:** Websites and apps have allowed businesses to sell and consumers to buy from anywhere in the world. This cross-border commerce has effectively connected formerly isolated markets.

**Financial Technology:** Fintech has integrated financial markets, allowing seamless cross-border transactions, foreign exchange, and financial services. A classic example is how Amazon and eBay have integrated markets.

2. Effects of Market Integration ([www.studysmarter.co.uk](http://www.studysmarter.co.uk))

Market integration has a profound impact on global trade and the economy. It leads to greater synchronization in price movements, a wider range of suppliers and commodities, and improved market efficiency. By reducing barriers to trade, it facilitates the flow of goods, services, and capital across borders, fostering economic collaboration among nations. This integration helps global trade flourish by making the entire world a single large market where suppliers can access a broader set of consumers, and consumers enjoy a wider choice of products. Furthermore, it encourages innovation and competition, pushing companies to improve their offerings and adapt to diverse markets.