

# globalisation

## drivers

New transport, communication and information technologies make it easier and cheaper to trade internationally



Individual tastes and preferences increase demand for a wider range of products and services

Governments decide to lower or cut their trade barriers

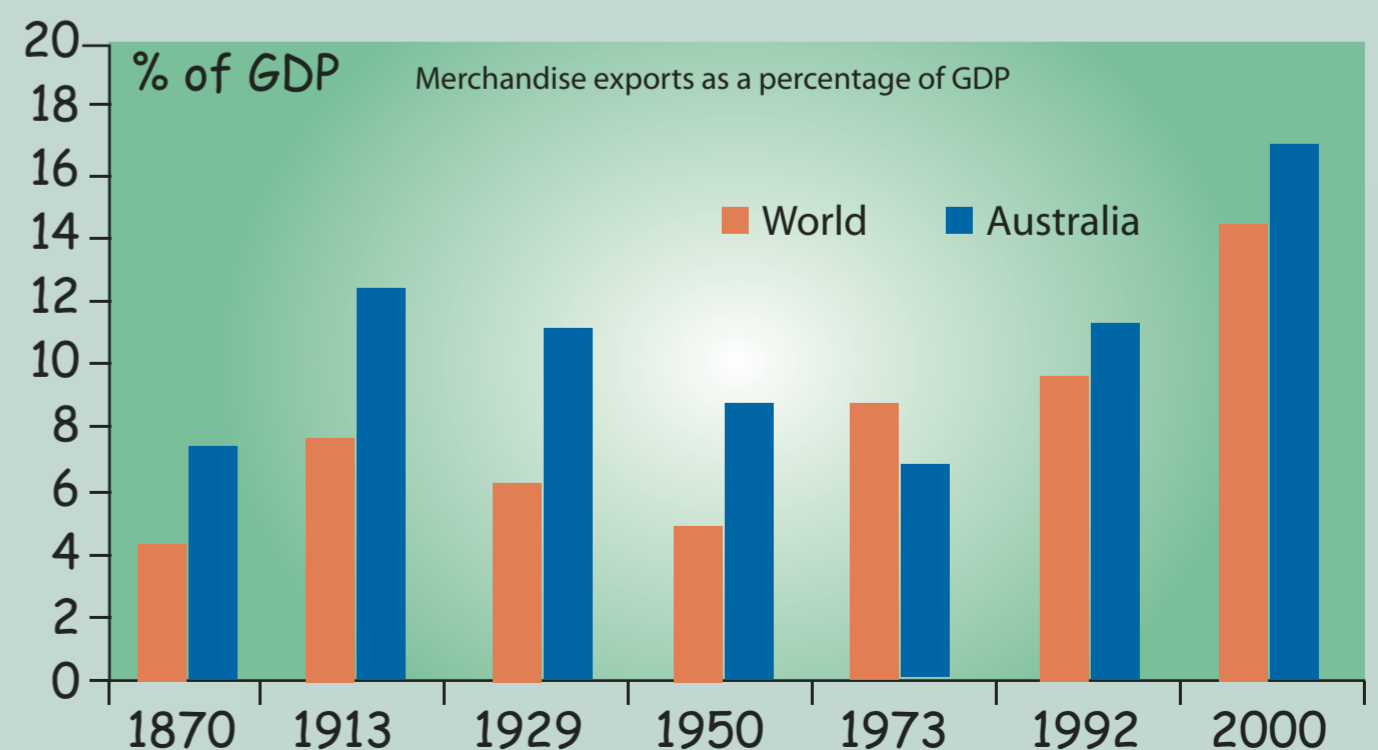
Corporations try to increase profits by cutting costs instead of raising prices

Transport & communication costs 1920–1990

Year	Sea (a)	Air (b)	Phone Call (c)	Computers (d)
1920	95	-	-	-
1930	60	0.68	245	-
1940	63	0.46	189	-
1950	34	0.30	53	-
1960	27	0.24	46	12,500
1970	27	0.16	32	1,947
1980	24	0.10	5	362
1990	29	0.11	3	100

Source: IMF (a) freight & port charges per ton \$US, (b) revenue per passenger mile \$US, (c) 3 minutes NY/London \$US, (d) Index 1990=100

Australia opened and reformed its markets in the 1980s



Source: Saul Eslake, 2003



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