**The Role of Government in International Business**

**Some of the ways government affects international trade and business include:**

o Establishing import and export laws

o Setting tariffs

o Maintaining membership in trade organizations and negotiating trade agreements

o Determining monetary policy, including currency exchange rates

o Determining fiscal policy, including taxation laws, interest rates

o Building infrastructure, such as roads and sewer systems

 **The government establishes:**

o Regulations that businesses must comply with

o Trade offices

o Government embassies, high commissions, and consulates

o Trade missions

**Corporations influence governments in several ways:**

o Contribute large amounts to political campaigns

o Participate in trade missions with politicians

o Pressure government to change or adopt policies that will benefit business

 **Lobbying**

o The process through which companies, special interest groups, or individuals attempt to

influence government officials and persuade them to endorse public policy favourable to

these groups.

o For example, the NRA (National Rifle Association) is a powerful group in the United States

that lobbies the government on gun‐control issues.