



Understanding Globalisation - Audio

Technological developments

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Technological development and change operates across international borders and has no geographic boundaries. It is probably one of the strongest drivers of the globalization of industries. Technological development includes the impact of information and communication technologies (ICT), product and process innovations, changes in distribution channels such as web-based selling, internet search and information retrieval and so on. These have had an enormous impact. In some cases entire new industries have been created such as mobile telephony which could not have existed without the development of the ICT which makes it possible.

Technological development may also transform traditional industries such as financial services, which have been around for centuries. For example, selling insurance policies or bank loans via the internet is part of the revolution that technological innovation has triggered in the way in which we buy and get information about financial and other services.

The restructuring of international supply chains for transportation and distribution has created opportunities for rethinking international logistics operations. Cost reductions, shorter journey times and dramatic technological developments in transportation, have together created new international markets for products which previously had no shelf-life beyond local consumption. Container systems which use computer-controlled temperature, humidity and atmosphere levels have extended the geographic scope for such products as fresh fruit or flowers, just as surely as international information systems have created global 24-hour trading on e-Bay.