**Economic issues affecting international trade**

Explain how the following will affect a country’s imports and exports:

|  |  |
| --- | --- |
| Average income | Wages and prices |
| Quality | Technology |

1. What is the difference between a ‘Developing’ and ‘Developed’ country?
2. Give ONE reason why a country might put ‘Tariffs or Custom Duties’ on products.
3. List THREE factors that affect the number of ‘Imports’ for a country.
4. What does it mean by the term ‘Quota’?
5. Which of the following are ‘Imports’ and ‘Exports’ for the United Kingdom?

|  |  |
| --- | --- |
| **International Trade** | **Import or Export?** |
| A UK business person purchasing a thousand lemons from Cyprus. |  |
| A UK business person selling a range of cars to Italy |  |
| A UK Business person purchasing chocolate from Belgium. |  |
| A UK Business person selling T-shirts to Germany |  |

1. The minimum wage for employees in the Belize is £2.14 for all employees. How will this interest UK companies to produce their products abroad and import them in?
2. How will this affect the number of exports abroad? Why might the UK government provide export subsidiaries to UK businesses?

Extension:

What is the difference between a tariff, a quota and an export subsidy?

Why would a business use these protectionist methods?