International economic issues (A Level)

A-Level Economics · Vocabulary in context

Word	Example
balance of payments /ˈbæləns ɒv ˈpeɪmənts/	The **balance of payments** records all money flowing into and out of a country.
current account /ˈkʌrənt əˈkaʊnt/	Money from selling services abroad goes into the **current account**.
expenditure-reducing /ekˈspendɪtʃə rɪˈdjuːsɪŋ/	Higher taxes are an **expenditure-reducing** policy: people spend less, including on imports.
expenditure-switching /ekˈspendɪtʃə ˈswɪtʃɪŋ/	A tax on imports is an **expenditure-switching** policy: people buy local goods instead.
exchange rate /eksˈtʃeɪndʒ reɪt/	The **exchange rate** is the price of one currency in another.
depreciation /dɪˌpriːʃɪˈeɪʃn/	A currency **depreciation** makes imports more expensive.
devaluation /diːˌvæljuːˈeɪʃn/	**Devaluation** lowers a fixed exchange rate.
Marshall-Lerner condition /ˈmɑːʃl ˈlɜːnə kənˈdɪʃn/	The **Marshall-Lerner condition** tells us when a weaker currency will improve the trade balance.
nominal exchange rate /ˈnɒmɪnl eksˈtʃeɪndʒ reɪt/	The **nominal exchange rate** is the price of one currency in another, such as 7 yuan per dollar.

real exchange rate /rɪəl eksˈtʃeɪndʒ reɪt/	The **real exchange rate** also takes prices in both countries into account.

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trade-weighted exchange rate /treɪd 'weɪtɪd eks'tʃeɪndʒ reɪt/	A **trade-weighted exchange rate** compares one currency with those of its main trading partners.
effective exchange rate /ɪ'fektɪv eks'tʃeɪndʒ reɪt/	The **effective exchange rate** measures a currency against a group of other currencies.
floating exchange rate /'fləʊtɪŋ eks'tʃeɪndʒ reɪt/	A **floating exchange rate** moves up and down with supply and demand.
fixed exchange rate /fɪkst eks'tʃeɪndʒ reɪt/	A **fixed exchange rate** is held at one value by the government.
managed exchange rate /'mænɪdʒd eks'tʃeɪndʒ reɪt/	With a **managed exchange rate**, the central bank stops the currency moving too much.
appreciation /əˌpriːʃɪ'eɪʃn/	An **appreciation** of the yuan makes Chinese exports dearer abroad.
revaluation /rɪˌvæljuː'eɪʃn/	A **revaluation** raises a fixed exchange rate.
economic growth /ˌiːkə'nɒmɪk grəʊθ/	**Economic growth** means the economy makes more each year.
economic development /ˌiːkə'nɒmɪk dɪ'veləpmənt/	**Economic development** improves people's living standards and opportunities.
standard of living /'stændəd ɒv 'lɪvɪŋ/	A better **standard of living** means people have more food, health and comfort.
Human Development Index /'hjuːmən dɪ'veləpmənt 'ɪndeks/	The **Human Development Index** combines health, education and income.

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life expectancy /laɪf ekˈspektənsi/	Better health care raises **life expectancy**: people live longer.
years of schooling /jɪəz ɒv ˈskuːlɪŋ/	The average **years of schooling** tells us how long adults stayed in school.
inequality /ɪniːˈkwɒlɪti/	There is great **inequality** when a few people are rich and many are poor.
developed country /dɪˈveləpt ˈkʌntri/	A **developed country** has high incomes and good health care.
developing country /dɪˈveləpɪŋ ˈkʌntri/	A **developing country** has lower incomes but is growing.
birth rate /bɜːθ reɪt/	The **birth rate** is the number of babies born for every thousand people each year.
employment structure /emˈplɔɪmənt ˈstrʌktʃə/	The **employment structure** shows how many people work in farming, factories and services.
primary sector /ˈpraɪməri ˈsektə/	Fishing belongs to the **primary sector**.
secondary sector /ˈsekəndəri ˈsektə/	Car manufacturing belongs to the **secondary sector**.
tertiary sector /ˈtɜːʃjəri ˈsektə/	Banking belongs to the **tertiary sector**.
aid /eɪd/	Food and money given to poor countries is called **aid**.
debt /det/	The country owes a large **debt** to foreign banks.
foreign direct investment /ˈfɒrən daɪˈrekt ɪnˈvestmənt/	Building a factory abroad is **foreign direct investment**.

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multinational corporation /ˌmʌltɪˈnæʃənl ˌkɔːpəˈreɪʃn/	A **multinational corporation** has factories in many countries.
migration /maɪˈgreɪʃn/	**Migration** moves workers from one country to another.
remittances /rɪˈmɪtənsɪz/	Workers abroad send **remittances** home to their families.
globalisation /ˌgləʊbəlaɪˈzeɪʃn/	**Globalisation** links countries through trade, money and ideas.
free trade /friː treɪd/	With **free trade**, countries buy and sell without taxes on imports.
trade bloc /treɪd blɒk/	The EU is a **trade bloc**: its members trade freely with each other. EU
protectionism /prəˈtekʃənɪzəm/	Tariffs and quotas are tools of **protectionism**.
J-curve effect /dʒeɪ kɜːv ɪˈfekt/	The **J-curve effect** shows the trade balance getting worse before it gets better.

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