International trade and globalisation

IGCSE Economics · Vocabulary in context

Word	Example
trade /treɪd/	Fair **trade** can help poor countries develop.
specialisation /ˌspeʃəlaɪˈzeɪʃn/	**Specialisation** means each worker or country does what it is best at.
exports /ˈekspɔːts/	Chinese cars sold abroad are Chinese **exports**.
imports /ɪmˈpɔːts/	Phones made in Korea and sold in France are French **imports**.
free trade /friː treɪd/	With **free trade**, countries buy and sell without taxes on imports.
domestic /dəˈmestɪk/	**Domestic** means inside the home country.
living standards /ˈlɪvɪŋ ˈstændədz/	Better jobs raise **living standards**.
compete /kəmˈpiːt/	Firms **compete** for customers.
dependent /dɪˈpendənt/	A country **dependent** on one crop suffers when its price falls.
globalisation /ˌgləʊbəlaɪˈzeɪʃn/	**Globalisation** links countries through trade, money and ideas.
multinational company /ˌmʌltɪˈnæʃənl ˈkʌmpəni/	A **multinational company** operates in more than one country.
host country /həʊst ˈkʌntri/	The **host country** is the country where a foreign company sets up.

exercises.lol exercises.com.cn

Word	Example
trade protection /treɪd prə'tekʃn/	Import restrictions are instruments of **trade protection**.
tariff /'tærɪf/	A **tariff** is a tax on imported goods.
quota /'kwəʊtə/	An import **quota** limits how many cars can come in.
subsidy /'sʌbsɪdi/	A **subsidy** is money from the government that lowers a firm's costs.
embargo /em'bɑːgəʊ/	An **embargo** stops all trade with one country.
infant industry /'ɪnfənt 'ɪndʌstri/	An **infant industry** is a new industry that may need protection while it grows.
dumping /'dʌmpɪŋ/	**Dumping** means selling goods abroad below their cost.
exchange rate /eks'tʃeɪndʒ reɪt/	The **exchange rate** is the price of one currency in another.
currency /'kʌrənsi/	The yuan is China's **currency**.
floating exchange rate /'fləʊtɪŋ eks'tʃeɪndʒ reɪt/	A **floating exchange rate** moves up and down with supply and demand.
demand /dɪ'mænd/	Hot weather increases the **demand** for ice cream.
supply /sə'plaɪ/	A new bakery increases the **supply** of bread.
inflation /ɪn'fleɪʃn/	**Inflation** means prices in general are rising.
investment /ɪn'vestmənt/	Buying new machines for a factory is **investment**.

exercises.lol exercises.com.cn

Word	Example
speculation /ˌspekjʊ'leɪʃn/	**Speculation** on a currency can push its value up or down quickly.
appreciation /əˌpri:ʃɪ'eɪʃn/	An **appreciation** of the yuan makes Chinese exports dearer abroad.
depreciation /dɪˌpri:ʃɪ'eɪʃn/	A currency **depreciation** makes imports more expensive.
balance of payments /'bæləns ɒv 'peɪmənts/	The **balance of payments** records all money flowing into and out of a country.
current account /'kʌrənt ə'kaʊnt/	Money from selling services abroad goes into the **current account**.
trade in goods /treɪd ɪn gʊdz/	Selling cars and oil abroad is **trade in goods**.
trade in services /treɪd ɪn 'sɜ:vɪsɪz/	Selling banking and tourism abroad is **trade in services**.
primary income /'praɪmərɪ 'ɪŋkʌm/	Wages and investment returns from abroad are **primary income**.
secondary income /'sekəndərɪ 'ɪŋkʌm/	Personal transfers from abroad are **secondary income**.
current account deficit /'kʌrənt ə'kaʊnt 'defɪsɪt/	A **current account deficit** means a country spends more abroad than it earns.
current account surplus /'kʌrənt ə'kaʊnt 'sɜ:pləs/	A **current account surplus** means a country earns more abroad than it spends.
competitiveness /kəm'petɪtɪvnəs/	Lower costs improve a firm's **competitiveness** against foreign firms.

exercises.lol exercises.com.cn

Word	Example
retaliation /rɪˌtælɪ'eɪʃn/	When one country raised its taxes on imports, the other country answered with **retaliation**.

exercises.lol exercises.com.cn