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.

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trade protection /treɪd prəˈtekʃn/	Import restrictions are instruments of **trade protection**.
tariff /ˈtærɪf/	A **tariff** is a tax on imported goods.
quota /ˈkwəʊtə/	An import **quota** limits how many cars can come in.
subsidy /ˈsʌbsɪdi/	A **subsidy** is money from the government that lowers a firm's costs.
embargo /emˈbɑːgəʊ/	An **embargo** stops all trade with one country.
infant industry /ˈɪnfənt ˈɪndʌstri/	An **infant industry** is a new industry that may need protection while it grows.
dumping /ˈdʌmpɪŋ/	**Dumping** means selling goods abroad below their cost.
exchange rate /eksˈtʃeɪndʒ reɪt/	The **exchange rate** is the price of one currency in another.
currency /ˈkʌrənsi/	The yuan is China's **currency**.
floating exchange rate /ˈfləʊtɪŋ eksˈtʃeɪndʒ reɪt/	A **floating exchange rate** moves up and down with supply and demand.
demand /dɪˈmænd/	Hot weather increases the **demand** for ice cream.
supply /səˈplaɪ/	A new bakery increases the **supply** of bread.
inflation /ɪnˈfleɪʃn/	**Inflation** means prices in general are rising.
investment /ɪnˈvestmənt/	Buying new machines for a factory is **investment**.

Word	Example
speculation /ˌspekjʊˈleɪʃn/	**Speculation** on a currency can push its value up or down quickly.
appreciation /əˌpriːʃɪˈeɪʃn/	An **appreciation** of the yuan makes Chinese exports dearer abroad.
depreciation /dɪˌpriːʃɪˈeɪʃn/	A currency **depreciation** makes imports more expensive.
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**.
trade in goods /treɪd ɪn gʊdz/	Selling cars and oil abroad is **trade in goods**.
trade in services /treɪd ɪn ˈsɜːvɪsɪz/	Selling banking and tourism abroad is **trade in services**.
primary income /ˈpraɪmərɪ ˈɪŋkʌm/	Wages and investment returns from abroad are **primary income**.
secondary income /ˈsekəndərɪ ˈɪŋkʌm/	Personal transfers from abroad are **secondary income**.
current account deficit /ˈkʌrənt əˈkaʊnt ˈdefɪsɪt/	A **current account deficit** means a country spends more abroad than it earns.
current account surplus /ˈkʌrənt əˈkaʊnt ˈsɜːpləs/	A **current account surplus** means a country earns more abroad than it spends.
competitiveness /kəmˈpetɪtɪvnəs/	Lower costs improve a firm's **competitiveness** against foreign firms.

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retaliation /rɪˌtælɪˈeɪʃn/	When one country raised its taxes on imports, the other country answered with **retaliation**.