

Key words	Key facts
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Trade – buying and selling of goods and services we want and need. it involves an exchange of goods (and/or services) in return for other goods and services or money

Import – bringing goods from another country for sale

Export – sending goods to another country for sale

Fair trade - trade between companies in developed countries and producers in developing countries in which fair prices are paid to the producers

Social premium - money given to producers which they choose to invest in business or community projects such as schools, transport and healthcare

Supply chain - the journey travelled by clothing, food items and other products through different factories, suppliers and warehouses before ending up as the finished product we buy in shops

Primary sector/stage - extracting the raw materials e.g. farming, mining, fishing, and forestry

Secondary sector/stage - turning raw materials into other products (processing/manufacturing stage) e.g. wood into furniture, tin into mobile phones, fish into fish fingers

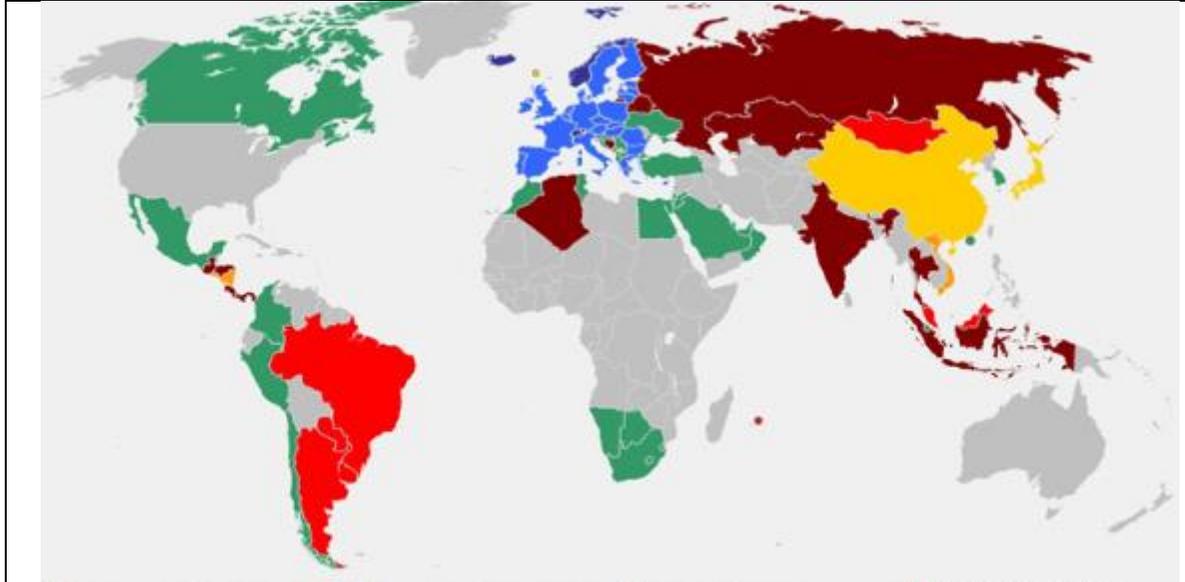
Tertiary sector/stage - services provided to businesses (shops selling the brand) and other customers

Globalisation - process of the world's countries becoming more connected as a result of international trade and cultural exchange.

The highest-valued export - the product that makes the country the most money through global trade. Physical and human features (climate, resources, skills, technology, and communication systems) of each country that determine what type of export makes that country the most money



Trade agreements between countries



Many countries enter into agreements with one another to minimise or cancel tariffs and restrictions on imported and/or exported goods.

In the past goods and skills were exchanged on a **local scale** within communities because people had no contact with others from distant places, through time trade has grown to a **global scale**.

Money and **items** can now be exchanged across longer distances and more quickly thanks to improvements in:

- **transport** (lorries, fast trains, aeroplanes and super tankers)
- **technology** and **communications** (Internet, credit cards, telephone, translation services, navigation systems)

Today it is common for global companies that sell their goods or services worldwide to have their headquarters in one country, their manufacturing based in another, and then sell their products globally.

Manufactured goods (e.g. clothes, toys, electronics, cars) go through more stages before reaching our shops than unprocessed and unpackaged products such as fruit and vegetables. Manufactured items go through **three stages of production** that take place at different locations around the world: primary, secondary, and tertiary.

Primary and **secondary** stages are usually in developing (**less economically developed countries**) and the **tertiary** stage is usually in developed (**more economically developed countries**).

Usually more developed countries export valuable manufactured goods such as electronics and cars and import cheaper primary products such as tea and coffee

Most traded items in the world:

- **Crude oil:** supplies the modern world with our energy needs.
 - **Coffee:** the world consumes 2.25 billion cups of coffee a day!
 - **Natural gas:** used for everything, from cooking, to heating, to lighting our homes.
 - **Gold:** used for currency and by investors.
 - **Sugar:** traded in every country in the world
- The **UK's highest-valued export** are: **cars** followed by **turbo jets, medicines** and **crude oil** (found mainly in the North Sea).
- The UK gets the most money from exporting to the **EU countries** (mainly Germany, France Netherlands), **USA, Switzerland, Gulf Arabian countries** and **China**

FAIRTRADE:

Protects workers' rights and working conditions, keeping them safe and healthy.

Helps producers **help themselves out of poverty** through global trade: selling their products to large companies and other countries at fair prices.

Ensures workers receive a **fair price** for their work and product that is stable.



Benefits and empowers marginalized communities in developing countries.

Includes **Fairtrade social premium**

Bananas are most commonly Fairtrade, but there are over 4500 products that are Fairtrade certified (e.g. sugar, coffee, cocoa, flowers, gold, footballs)

Think global: choices we make in the UK can help improve the lives of people in other countries.

1. What is the UK's highest-valued export?
 - a) medicines
 - b) cars
 - c) planes
 - d) crude oil

2. What is the most traded item in the world?
 - a) crude oil
 - b) gold
 - c) coffee
 - d) sugar

3. What does import mean?
 - a) buying and selling of goods and services
 - b) sending goods to another country for sale
 - c) bringing goods from another country for sale
 - d) trade between companies in developed countries and producers in developing countries

4. Who is the main trading partner of the UK?
 - a) EU
 - b) USA
 - c) China
 - d) Australia

5. What is the primary stage?
 - a) process of the world's countries becoming more connected
 - b) services provided to businesses and customers
 - c) turning raw materials into other products
 - d) extracting the raw materials

6. Where does the primary stage of production normally take place?
 - a) in the developing countries
 - b) in the UK
 - c) in the EU
 - d) in the developed countries

7. What is the most common Fairtrade product?
 - a) coffee
 - b) sugar
 - c) banana
 - d) gold

8. The process of the world's countries becoming more connected is called...
 - a) supply chain
 - b) globalisation
 - c) fair trade
 - d) social premium

9. What is the journey travelled by products through different factories, warehouses and shops called?
 - a) supply chain
 - b) globalisation
 - c) fair trade
 - d) social premium