

Foreign Economics

What is Economics?

Economics is the study of production, distribution, and consumption of goods and services. The world economy depends on the system of economics between countries to work hand in hand. The United States imports goods and services from all over the world and exports its goods and services to other countries all over the world.

What Are Imports and Exports?

Imports are goods or services brought in from another country for trade. Exports are goods or services traded out to another country.

What is International Trade?

International trade is a branch of economics. It is when nations trade with other nations. Trading used to be called barter. Bartering was when people would trade one good for another good. A good is a product. For example, someone needing flour might trade eggs with someone who had flour and needed eggs. But, the invention of money turned barter into trade. Instead of trading product for product, money was now given in exchange for product. This made the entire process of trading much simpler.

What Are the Main Exports of the Leaders in International Trade?

United States Exports: electrical machinery, chemical products, wheat, soybeans, almonds, sunflower oil, automobiles, scientific instruments, telecommunication devices, electronics

Canada Exports: minerals, energy, oil, lumber, wheat, canola, zinc, uranium, gold, nickel, aluminum, lead, automobiles, and airplanes.

China Exports: toys, chemicals, food, petroleum products, arts and crafts, automobiles, industrial machinery, ships, weapons, parts for planes and trains, weapons, fabric, and plastic.

Mexico Exports: Oil, furniture, coffee, candles, footwear, sesame seeds, glassware, beverages, and automobile engines.

Japan Exports: automobiles, transport equipment, electronics, chemicals, and electronics

Germany Exports: chemical goods, automobiles, metals, machinery, wind turbines and solar power technology

United Kingdom Exports: rather than goods, financial services in banking and insurance are this countries main export. London, the capital of the United Kingdom, has the largest number of foreign bank branches in the world.

South Korea Exports: automobiles, ships, steel, and electronics

France Exports: aerospace industry, wheat, poultry, dairy, beef, and pork, French food and wine

Taiwan Exports: agricultural exports: bananas, guava, wax, apples, and tea

Venezuela Exports: oil

Name _____

Date _____

Questions for Application

Fill in the Blank.

1. When nations trade with other nations it is called _____.
2. _____ is the study of production, distribution, and consumption of goods and services
3. The United States received a shipment of automobiles from Japan. The United States received an _____.
4. Trading one good for another good is called _____.
5. Another word for a good is a _____.

Answer each item in your own words.

6. Which exports from another country, do you use often? _____
7. Which United States exports do you use? _____
8. Have you ever traded something of yours with someone else? What was it? Was it a fair trade? Why or why not?

9. What is the importance for paying for something with money instead of trading one product for another?

10. Why do you think so many countries make and export automobiles?

Name _____

Date _____

Read the products in the product column. Based on the information in the passage, which country/countries export these items? Fill in the appropriate answer in the country column.

Product	Country
Oil	
Automobiles	
Chemicals	
Wheat	
Ships	
Electronics	
Toys	
Footwear	
Banking and Insurance	

Name _____

Date _____

Answer Key:

1. B
2. C
3. B
4. A
5. C
6. Answers will vary
7. Answers will vary
8. Answers will vary
9. Answers will vary
10. Answers will vary

Product	Country
Oil	Canada, Mexico, Venezuela
Automobiles	United States, Japan, China, Germany, South Korea, Canada
Chemicals	Germany, Japan, China, United States,
Wheat	France, Canada, United States
Ships	South Korea
Electronics	South Korea, Japan, United States
Toys	China
Footwear	Mexico
Banking and Insurance	United Kingdom