

Trade and Economics

What is trade and why is it important?

Trade is an important way to make sure that natural resources are shared around the world.

Countries can **export** goods to another country to generate money and they can also **import** goods that may not be available in their own country.

Trade has been happening around the world for hundreds of years and **goods** are carried around the world by container ships and planes.

There are many things that we enjoy as a result of **trade links** with other parts of the world.

Chocolate comes from the cocoa plant which grows in tropical climates. That means that for us to enjoy chocolate in England we must **import** it into the country.

Bananas need lots of sun to grow which means that they cannot grow in England. The United Kingdom imports around 1.15 million tonnes of bananas every year.

Coffee comes from a plant which grows between the Tropics of Cancer and Capricorn. The UK drinks an average of 70 million cups of coffee a day. This means there is a high demand for it to be **imported**.

What Does the UK Trade?

The UK **trades** a lot of **goods** and services.

Some of the **goods** the UK **exports** are:

scrap iron, whisky, tartan kilts, medicines, aircraft parts, cars, computers, oil and gas.

Some of the **goods** the UK **imports** are:

coffee beans, bananas, medicines, aircraft parts, cars, computers, oil and gas.



How does Fairtrade work?

Fairtrade is an arrangement which aims to ensure that farmers get a fair price for their goods.

Many items we enjoy can be **Fairtrade** but this often means it costs more to buy.

However, buying **Fairtrade** items helps to support those involved in the farming process. Growing cocoa for chocolate is a difficult task but **Fairtrade** is making it more sustainable.

You can also buy **Fairtrade** bananas and coffee which support the farmers involved in growing, harvesting and trading these.

Key Vocabulary

trade	Buying and selling goods and services.
import	Goods or services purchased from one country and brought into the UK.
export	Goods or services made in the UK and sold to another country.
goods	Items that can be bought and sold. Sometimes they are called products.
global	Around the world.