

6 International trade – Part 1

Name: _____ Class: _____ Date: _____

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)		
International trade	国际贸易	_____	_____	_____
specialise	专业化	_____	_____	_____
absolute advantage	绝对优势	_____	_____	_____
comparative advantage	比较优势	_____	_____	_____
lower opportunity cost	机会成本	_____	_____	_____
Protectionism	贸易保护主义	_____	_____	_____
tariff	关税	_____	_____	_____
quota	配额	_____	_____	_____
subsidy	补贴	_____	_____	_____
infant industry	幼稚产业	_____	_____	_____
dumping	倾销	_____	_____	_____
retaliation	报复	_____	_____	_____

Recall

Countries buy and sell with each other every day. Bring this with you:

- The goods around you are made in many different countries.
- A country cannot make everything itself.

At AS we study **why** countries trade, and how some try to **block** trade.

New ideas

■ 1 Why countries trade

International trade 国际贸易 lets each country **specialise** 专业化 in what it makes best, then trade for the rest — so the world makes **more** in total.

- a country has an **absolute advantage** 绝对优势 in a good if it can make **more** of it with the same resources;
- a country has a **comparative advantage** 比较优势 in a good if it can make it at a **lower opportunity cost** 机会成本 than another country.

A country should make the goods it gives up **least** to produce, and trade for the rest.

absolute advantage
make **more** of a good
with the same resources

comparative advantage
make a good at a **lower**
opportunity cost

Micro-check. What does it mean for a country to **specialise**?

[1]

■ 2 Protectionism

Protectionism 贸易保护主义 means a government protecting home producers from foreign competition. The main tools:

- a **tariff** 关税 — a tax on imports, which raises their price;
- a **quota** 配额 — a legal limit on the quantity of a good that may be imported;
- a **subsidy** 补贴 to home producers, so they can sell more cheaply.

tariff
a tax on imports
(raises their price)

quota
a limit on the
quantity imported

subsidy
help home firms
sell more cheaply

Micro-check. What is a **tariff**?

[1]

■ 3 For and against protection

- **for** protection: protect an **infant industry** 幼稚产业 (a young industry that needs time to grow), save jobs, and stop **dumping** 倾销 (foreign firms selling below cost);
- **against**: it raises prices for consumers, lets weak firms stay inefficient, and can lead to **retaliation** 报复 (other countries hitting back).

Micro-check. Give **one** argument **against** protection.

[1]

Watch out: absolute advantage = make *more* with the same resources; comparative advantage = make at a *lower opportunity cost* — comparative advantage is what drives the gains from trade. A tariff is a *tax* on imports; a quota is a *limit* on imports.

Practice

6.1 Explain **one** reason countries trade with each other.

[2]

6.2 State the difference between **absolute** and **comparative** advantage.

[2]

6.3 Name **two** tools of protectionism.

[2]

6.4 Give **one** argument **for** and **one** argument **against** protection.

[2]

6.5 A government puts a tax on imported cars. Name this tool of protection.

[1]

6.6 Challenge. A government puts a tariff on imported steel to protect home steelmak-

ers. Explain one benefit and one cost of this for the country.

[2]
