INTERNATIONAL TRADE

"No generation has had the opportunity, as we now have, to build a global economy that leaves no-one behind. It is a wonderful opportunity, but also a profound responsibility."

Bill Clinton, 42nd president of the United States

1. International Trade Discussion

1. What is the global economy? What does it involve?
2. What is international trade? How does it work?
3. With which countries does your country conduct the most trade?
4. How do countries benefit from international trade? How might they be negatively affected?
5. Is it always better to "buy local"? Why or why not?
6. Does the company you work for trade internationally? Or have you worked for a company that trades internationally? How is that trade different to domestic trade?
7. Why do countries import products from other countries that are also produced in their own countries?
8. Will international trade increase or decrease in the future? Why?

2. International Trade Vocabulary

- **barriers** (noun) – *government regulations that prevent, restrict, or hinder international trade, such as tariffs and duties.*
- **trade agreement** (noun) – *an agreement by two or more countries regarding their trading relationship, usually to reduce barriers to trade on certain products.*
- **free trade area** (noun) – *an area in which countries have agreed to eliminate, or greatly reduce, trade barriers.*
- **trade deficit** (noun) – *the amount by which a country's imports is greater than the value of its exports.*
- **protectionism** (noun), **protectionist** (adjective) – *a policy protecting domestic products by imposing tariffs on competing foreign imports.*
- **trade war** (noun) – *an economic conflict usually involving extreme protectionist measures designed to cause economic damage to another country.*

Using the vocabulary words above, complete the following sentences (remember to use the correct form of the word, e.g. verb conjugation or plural noun)

1. The **trade war** between the United States and China began when President Trump accused China of unfair trading practices and intellectual property theft. The subsequent tariffs imposed on billions of dollars of Chinese imports were met with retaliatory tariffs on American exports to China.
2. The US Congress is extremely worried by the **trade deficit** with Chinese imports.
3. The **trade agreement** between Australia and New Zealand eliminated all barriers to trade.
4. The EU is the largest **free trade area** in the world.
5. It is extremely difficult to export to India due to the **protectionist** policies of the government.
6. **Barriers** to trade have made it difficult for American farmers to sell beef in Europe.

International Trade vocabulary comprehension questions

1. What kind of non-tariff barriers can you think of?
2. What trade agreements does your country have with other countries? Are people in favour of them? Why or why not?
3. Which free trade areas can you think of in the world?
4. What are some negative consequences of a trade deficit for a country?
5. Does your government have any protectionist policies? If so, what are they protecting?
6. Can you think of any trade wars? Why do trade wars happen and what are the consequences?

3. Video: The Truth About Trade Agreements

You are going to watch a TEDx Talk by Haley Edwards called "What global trade deals are really about."

Watch the video here: ***https://yourenglishpal.com/blog/business-english-conversation-lesson-plan-international-trade/***

Watch the video and after, discuss the following questions:

1. Does international trade lead to world peace?
2. Do you agree that trade agreements are not really about trade? If you do, what are the true intentions behind trade deals?
3. Why do you think Donald Trump criticised NAFTA and the proposed trade-agreement with the European Union?
4. Should trade agreements ever be used for political purposes? For example, should they be tied to protecting the environment or expanding democracy?
5. Should trade agreements ever override domestic economic policies? Why or why not?
6. Why would a country ever agree to a trade agreement that superseded their domestic policies?

4. International Trade Conversation Questions

1. What are the pros and cons of a free trade area? Would it be better if the world were one big free trade area? Why or why not?
2. Do you know how World Trade Organisation (WTO) rules work with regards to tariffs?
3. Why is trade liberalisation (the removal of trade barriers) generally not popular with local populations?
4. Do you think trade agreements favour the richest countries? Why or why not?
5. Would it be better for governments to pursue protectionist or free-trade policies? Why?
6. Should governments protect their own producers, even if those products are available cheaper from other countries?
7. What products or sectors do you think your government should protect?
8. Could it ever be possible to produce everything we need in our own countries? Why or why not?

5. International Trade Writing Task

Write a letter to a logistics company requesting information about the services they can offer to help you export a product from your country. Include details about your product, the potential international markets, and questions about the rules and regulations you may have to comply with.