

# International trade

COMMUNICATION

LEVEL	NUMBER	LANGUAGE
Upper-intermediate	EN_BE_3704X	English

lingoda

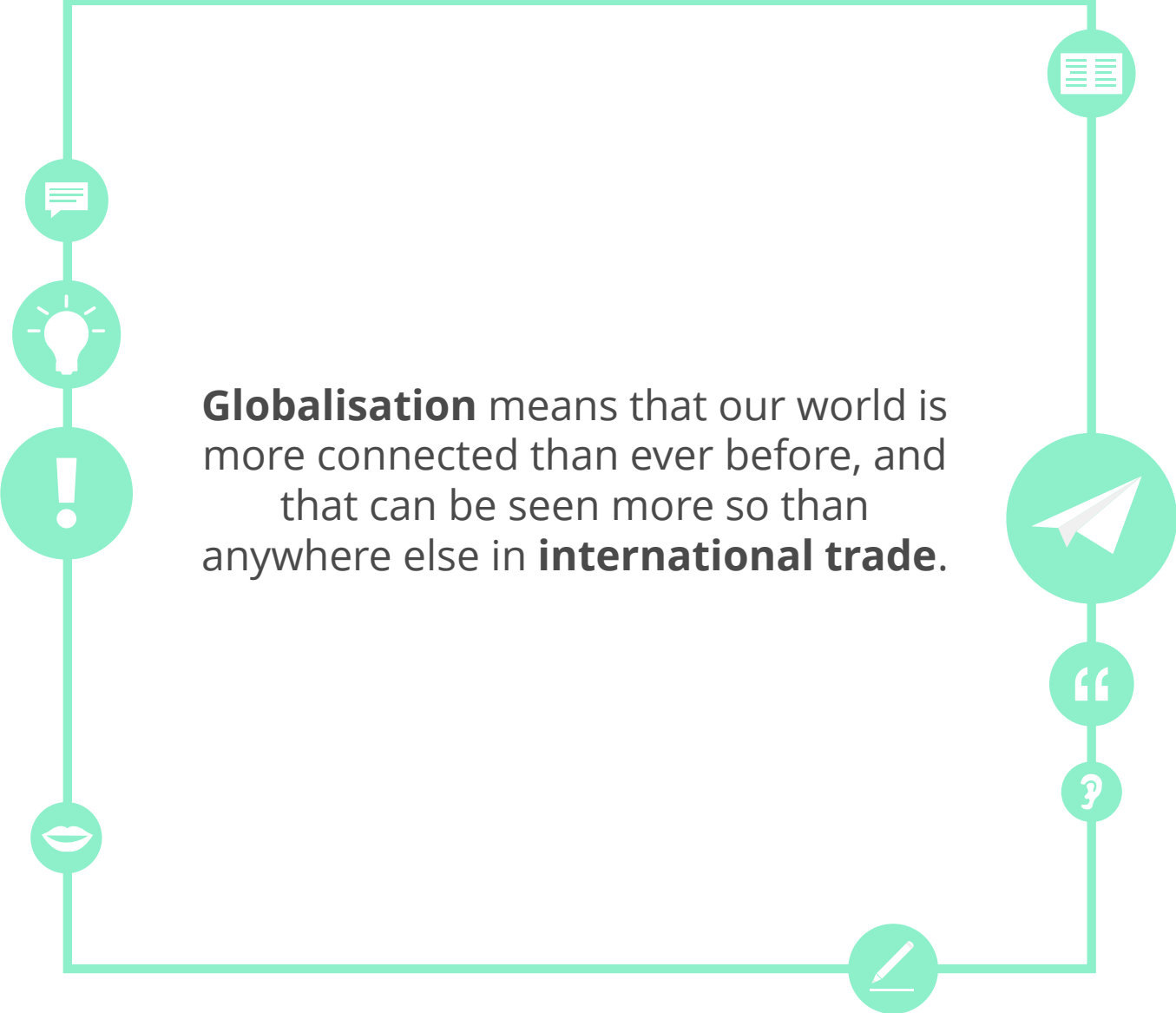




## Goals

- Can understand key terminology and loan words related to international trade
- Can use new vocabulary to describe aspects of trading





**Globalisation** means that our world is more connected than ever before, and that can be seen more so than anywhere else in **international trade**.



## International trade

**Do you know who your country does the most trade with? Do you know if you have more imports or exports?**





## Exports

Do you know what these countries are big producers and exporters of?



Spain



Germany



Brazil



China

## Loan words

English contains many **foreign words**, or **loan words**, which are used in day-to-day speech, particularly in business and economics. The two examples below are from **Latin**.



This country invests more in healthcare **per capita** than any other.



He doesn't like change – he just wants to maintain the **status quo**.



## Loan words

**embargo**

There is an **embargo** on the purchase of diamonds from the region.

**tycoon**

He owns lots of different businesses and is very successful – a real **tycoon**.

**bonanza**

The agreement brought a jobs **bonanza** to the city.

**mogul**

Rupert Murdoch is a media **mogul**.

**cargo**

The plane was carrying a **cargo** of bananas.

**gambit**

Her opening **gambit** to offer low prices initially gave her an advantage.



## Loan words

**Do you know which  
language these  
words came from  
originally?**

embargo

tycoon

bonanza

mogul

cargo





## Matching

Match the loan words with their meanings below.

embargo

a clever opening play

the present situation

tycoon

per head

a successful business person

bonanza

an official order to stop trading certain goods

gambit

a situation in which large profits or gains are made

the status quo

per capita



## Fill in the gaps

Fill in the gaps with a loan word from the previous pages.



Did you hear the government has placed a trade \_\_\_\_\_ on North Korea?

No! That's interesting. I thought they were more interested in maintaining the \_\_\_\_\_ - not wanting to rock the boat.



A tanker with a \_\_\_\_\_ of petroleum was stopped from leaving yesterday.

Well, they've just got into power so maybe it's an opening \_\_\_\_\_ to show their strength.





## Answer the questions

Answer these questions with your teacher.



1

Who is a famous tycoon in your country?

2

Do you know of any trade embargoes in effect at the moment?

3

Do you know the per capita income of your country?

## International trade

**International trade** is the **import** and **export** of goods across international boundaries.



**International trade** encompasses almost all world goods.

## deficit

A **deficit** is the amount by which the money **spent** by a company is **more than** it **receives**. A **trade deficit** refers to when a country **imports more goods than it exports**.



The company has a **deficit** of over \$10 million dollars. It is unsustainable.

## revenue, expenses and profit

**Revenue** is the amount of money a company makes before deducting **expenses**. The money left over is called **profit**.



The company generated a **revenue** of \$10 million dollars. It made a **profit** of \$5 million dollars. How much did the company spend in expenses?

**shortage**

**surplus**

A **shortage** occurs when you do not have enough of something to fulfil the demand. A **surplus** is when you have more of something than is needed.



The corn harvest was so good this year that we are going to have a **surplus**.



The country is facing a **shortage** of skilled workers.

**asset**

**commodity**

An **asset** is anything which is owned by a person or company. A **commodity** is a substance that can be traded in large quantities.



The company has **assets** of over \$23 million.



Saudi Arabia's largest **commodity** is oil.





## The World Trade Organisation

Read through the text about the World Trade Organisation, and be prepared to answer questions on it over the next pages.

The World Trade Organisation (WTO) is an inter governmental organisation dealing with the rules of **global trade** between nations. WTO agreements are signed by most of the world's trading nations. The goal of the WTO is to make sure that trade is as **free** as possible, as well as ensuring smooth trade between nations. The WTO deals not only with the **import** and **export** of physical goods, but also with intellectual property. One of the goals of the WTO is to help developing nations **expand** their **trading capacity**; it also strives to ensure that trade is **competitive** between trading partners and trading nations. The WTO has helped to expand **free trade** and has bolstered the **global economy**.





## Are these definitions correct?

	CORRECT	INCORRECT
1. Imports are goods brought into your country.	<input type="checkbox"/>	<input type="checkbox"/>
2. Expand means to contract or make smaller.	<input type="checkbox"/>	<input type="checkbox"/>
3. If trade is competitive it means lower prices for consumers.	<input type="checkbox"/>	<input type="checkbox"/>
4. A surplus is when we do not have enough of something.	<input type="checkbox"/>	<input type="checkbox"/>
5. Trading capacity is how much a country can, or does, trade.	<input type="checkbox"/>	<input type="checkbox"/>
6. An asset is something we can trade in large quantities.	<input type="checkbox"/>	<input type="checkbox"/>



## Complete the sentences

**Complete the definitions below.**

1. A deficit is...
2. A shortage is...
3. A commodity is...
4. An export is...
5. Global trade means...



## Surpluses and shortages

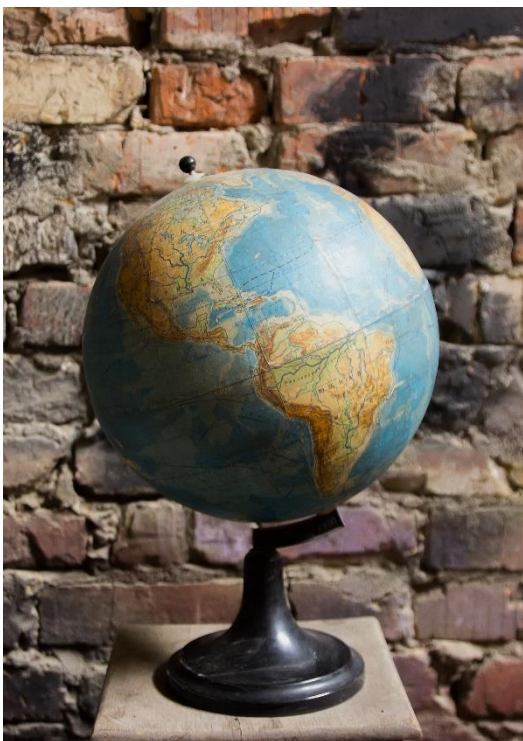
Does your country ever experience a **shortage** of anything? How about a **surplus**? What should companies or governments do in this situation?





## The WTO

**Some organisations, such as Greenpeace, are critical of the WTO, maintaining that despite its claims that it helps developing nations, it is rather a tool of the world's richest nations. Look at the ideas below and discuss this problem.**



Corporations  
driven by profit

Little focus on  
the environment  
and social  
problems

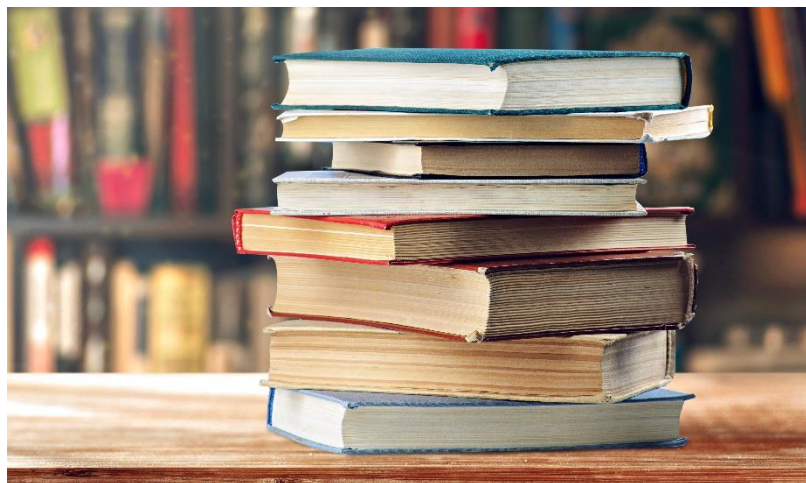
Decisions made  
by wealthy  
nations

Less wealthy  
nations not  
invited to  
meetings



## Your company

You are the owner of an **online book shop**. Over the next few pages you are going to see your **profit and loss accounts**, plus how much **stock** you have in your shop.



We have a **surplus** of history textbooks.



## Your accounts

Below are your **revenue and expenses accounts**, overall and then divided into fiction and non-fiction.

	Revenue (previous quarter)	£57,000
	Expenses (previous quarter)	£32,000
<b>Fiction books</b>	Revenue (previous quarter)	£23,000
	Expenses (previous quarter)	£2,000
<b>Non-Fiction books</b>	Revenue (previous quarter)	£34,000
	Expenses (previous quarter)	£30,000



## Answer the questions

**Answer these questions about your accounts on the previous page.**



**1** Are you in deficit?

**2** Where do you make the most profit?

**3** Where are you making the largest losses?





## Your stock

Below is a chart to show what you have **in stock** and how much you normally sell during a quarter.

Type	Stock	Normal sales
Children's fiction	2,400	2,300
Adult fiction	3,700	3,900
Travel guides	400	350
Textbooks	940	330
Biographies	150	350



## What should you purchase?

**Based on your accounts, what do you think you should stock up on, and what should you not buy?**

We should hold off on buying...

We could purchase... on credit.

There's no need to buy...



## Answer the questions

Answer the questions below with your teacher.



What do you think about buying things on credit?

Do you think a company should always have everything in stock?



## Reflect on the lesson

Take a moment to review any new **vocabulary, phrases, language structures** or **grammar points** you have come across for the first time in this lesson.

Review them with your teacher one more time to make sure you don't forget!





## Answer key

**Exercise p. 5:** Spain: cars, fresh fruit and vegetables; Germany: cars, Brazil: soybeans and iron ore; China: clothes and electronics

### **Exercise p. 9**

embargo: an official order to stop trading certain goods  
bonanza: a situation in which large profits or gains are made  
gambit: a clever opening play  
status quo: the present situation  
tycoon: a successful business person  
per capita: per head

### **Exercise p. 10**

embargo, status quo, cargo, gambit

### **Exercise p. 18**

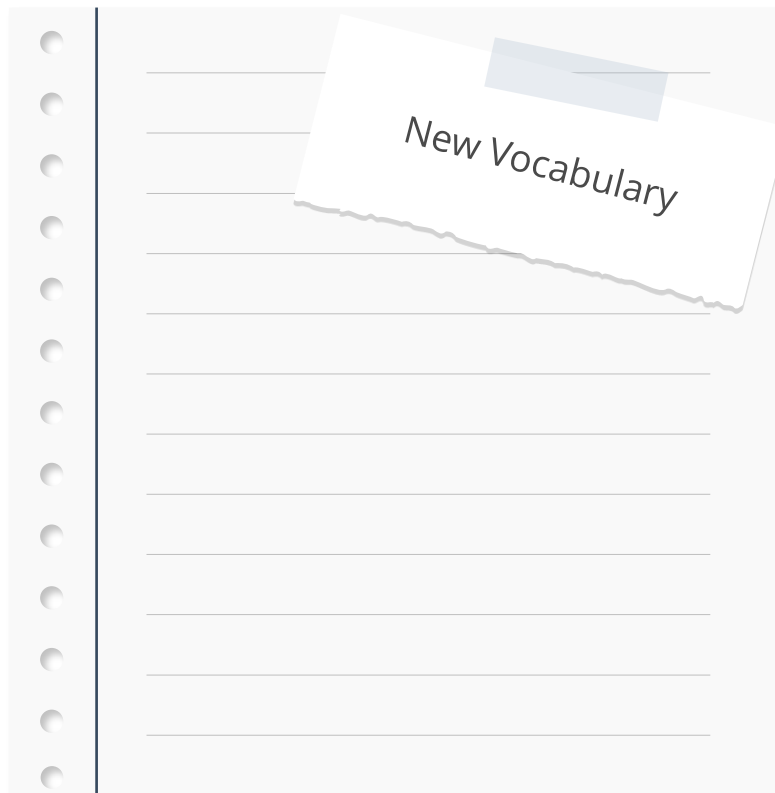
1. C, 2. I, 3. C, 4. I, 5. C, 6. I





## New vocabulary

**Use this page to record any new vocabulary you came across in this lesson.**





global trade	competition
import/export	expand

lingoda





## About this material

Find out more at  
[www.lingoda.com](http://www.lingoda.com)



This material is provided by

**lingoda**

### **lingoda** Who are we?



Why learn English online?



What kinds of English classes do we offer?



Who are our English teachers?



How do our English certificates work?



We also have a language blog!