

mod 20 Economic globalization

Goods and factors of production such as capital labour, information and technology flow freely across borders around the world

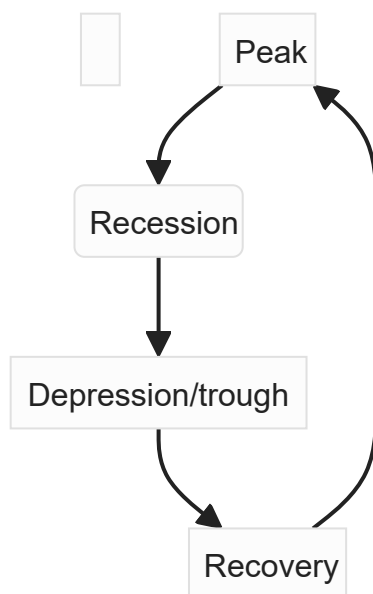
Multinational corporations

- Enterprise that operate in two or more countries. They make use of (regional division of labour)
- regional labour of labour: A country or region specialises in producing a certain good or providing certain services
- Financial tsunami: The economic crisis triggered by the burst of the US property bubble in 2007, which has led to recession or slowdown in the economies worldwide

Business Cycle

business cycle, aka the economic cycle or trade cycle, is the downward and upward movement of GDP around its long-term growth trend.

1. Peak
2. Recession
3. Depression/Trough
4. Recovery



	growth rate of real output	Unemployment rate	inflation rate	consumption level
Peak				
Recession	Falling	Rising		
Depression				
Recovery	Rising	Falling	to rise	