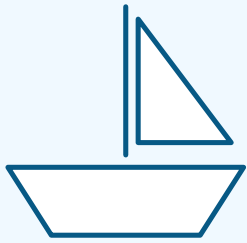


Trade and Interdependence

7th Grade

Why countries trade at all, and what it costs them.



Countries trade because no country has everything, and because each is better at making some things than others.

- Imports come in; exports go out.
- Countries specialise in what they can make most efficiently.
- Specialising means depending on others for the rest.
- Tariffs are taxes on imports, used to protect home industry.
- Interdependence makes goods cheaper but supply chains fragile.

LOOK FOR IT

A phone contains materials from a dozen countries and is assembled in another.

Trade raises total wealth but does not spread it evenly. That is why it is argued about.