

YEAR 9 GEOGRAPHY

DEEP LEARNING BOOKLET

TRADE

Name:

Class:

FILL IN THE GAPS, IMPROVE YOUR VOCAB

Trade, or _____, involves the transfer of the _____ of goods or services, from one person or entity to another, in exchange for money, goods or services. A network that allows trade is called a _____.

The original form of trade, _____, saw the direct exchange of goods and services for other goods and services. Barter is trading things without the use of _____. Modern traders generally negotiate through a medium of exchange, such as money. As a result, buying can be separated from selling, or _____. The invention of money (and later _____, paper money and non-physical money) greatly simplified and promoted _____. Trade between two traders is called _____ trade, while trade between more than two traders is called _____ trade.

Trade exists due to the _____ and division of labor, in which most people concentrate on a small aspect of _____, trading for other products. Trade exists between regions because different regions may have a _____ advantage (perceived or real) in the production of some trade-able _____, or because different regions' size may encourage _____ production.

barter
bilateral
commerce
commodity
comparative
multilateral
ownership
production

credit
earning
market
mass
Money
specialization
trade

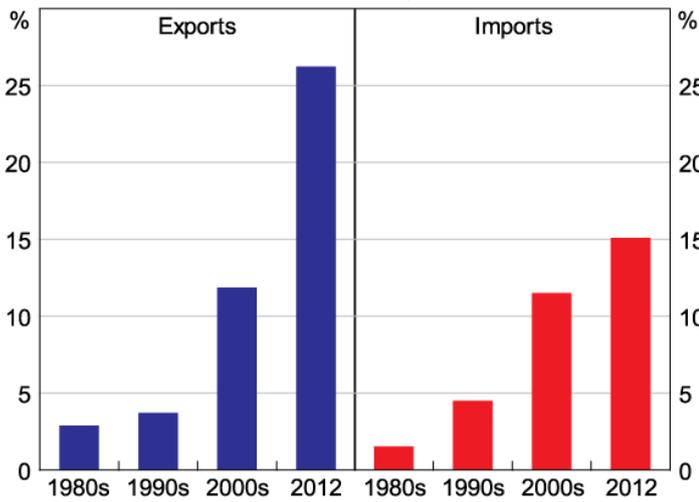
FIND THE PATTERN

Figure 1.

Figure 2.

China's Share of Australian Trade

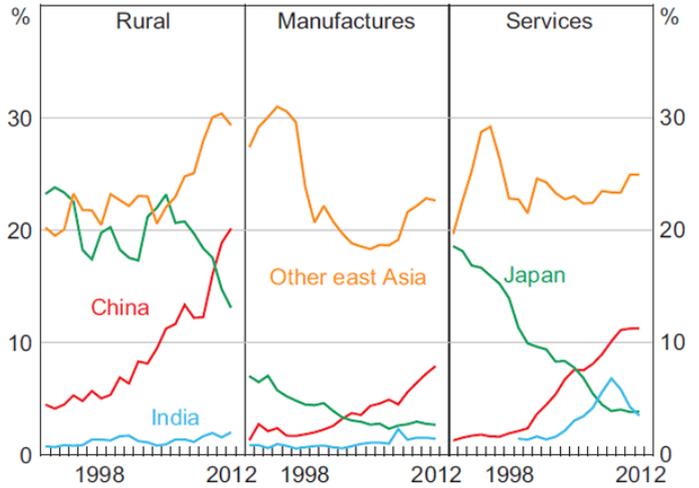
Values, financial years*



* In Australia financial years run from 1 July–30 June
Sources: ABS; RBA

Australian Exports to Asia

Share of respective export category

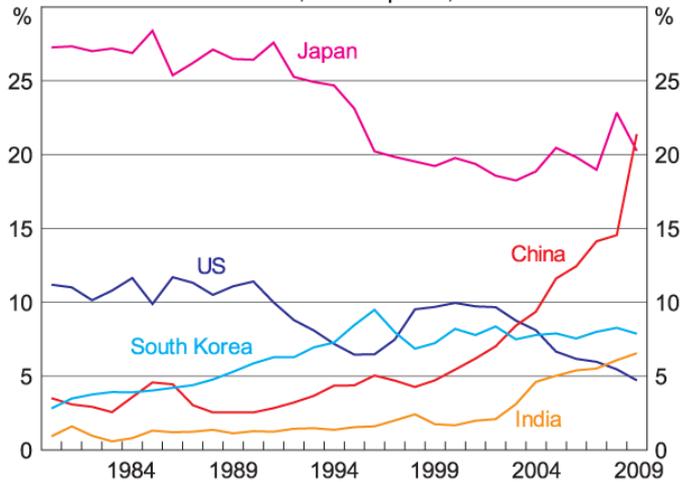


Source: ABS

Describe in detail the trend in Australian trade with Asian countries. Refer to the graphs by their titles "Figure 1", "Figure 2" and "Figure 3".

Merchandise Exports by Destination*

Share of total, current prices, annual



* Year-to-June for 2009, calendar year from 1989, financial year prior to 1988/89
Source: ABS

UNSOLVED MYSTERIES...

A very large trade agreement, the TPP (Trans-Pacific Partnership), is very controversial. Read this:

The TPP is a wide-ranging free-trade agreement among the U.S. and 11 other Pacific Rim countries (with the notable exclusion of China). It has been touted by the Office of the U.S. Trade Representative as a vehicle for "leveling the playing field for American workers and American business."

The TPP is being criticized as much for what it doesn't include as for what it does.

"This deal lowers tariffs and some other non-tariff barriers to trade, but the agreement apparently does nothing to prevent TPP members from manipulating their currencies to gain a trade advantage." China is clearly engaged in competitive devaluation.

In the U.S., the TPP's biggest selling point has been its potential impact on domestic employment, but don't hold your breath waiting for a surge of new manufacturing jobs. "The key benefit shall not be in job creation but in lower prices, and consequent increases in disposable income."

Will TPP have an impact on the current trend of partial reshoring of manufacturing from China back to the U.S.? That, too, is unclear. Ergas says the U.S. already has the advantage of low energy costs, coupled with a more sophisticated approach to manufacturing than many Asian producers. (At least until the Chinese are done replacing their human workers with robots.) But ratification of TPP could make production sourcing more fluid. Countries such as Vietnam and Malaysia might become more attractive locations for low-cost production, especially with the removal of import tariffs.

Big as it is, the TPP is far from the final word on modern-day free-trade agreements. The U.S. and China are busy negotiating a bilateral investment treaty that could in some ways trump the TPP, given the close economic ties of the two countries. Other TPP members, who came together with the expressed desire of offsetting the influence of China on the global economy, would object to no avail. "We are not a customs union and therefore can do agreements with anyone we want," says Ergas

In the long run, it's better for countries to be functioning under some kind of trade agreement than be engaged in all-out economic war. But a pact the size and scope of TPP creates its own problems. Still to be determined, for example, is the impact of the investor-state dispute settlement provision, which allows companies to sue governments for policies that result in the loss of profits or property rights.

The question that arises after reading this is: Who will dictate global economic policy in the future – governments or multinational corporations?

WHAT'S THE MORAL OF THIS STORY?

Fairtrade 'does more harm than good to Third World countries', says think tank

But an investigation by the Adam Smith Institute, the highly respected Right-wing think-tank, claims that Fairtrade's efforts to help African and Central American farmers do more harm than good. The Fairtrade Mark – familiar to anyone who shops in Britain's leading supermarkets – guarantees that producers in developing countries receive a fair price for their goods. Last year, British consumers spent more than £300million on Fairtrade products. But the report Unfair Trade claims that the organisation's "positive image appears to rely more on public relations than research".

It adds:

- Fairtrade helps only a very small number of farmers while leaving the majority worse off.
- It favours producers in better-off nations such as Mexico, rather than poor African countries.
- It holds back economic development, paying inefficient cooperative farms and discouraging diversification and mechanisation.
- Supermarket chains profit more from the higher price of Fairtrade goods than farmers.
- Only a fifth of produce grown on Fairtrade-approved farms is actually purchased at its guaranteed fair price.

Tom Clougherty, policy director of the Adam Smith Institute, says: "At best, fair trade is a marketing device that does the poor little good.

"At worst, it may inadvertently be harming some of the planet's most vulnerable people."

So if fair trade is supposed to help poor people but it doesn't, what does this tell you about the world? What lesson can we learn from this news article?

MAKE AN INFOGRAPHIC!

Infographics are a new and interesting way to display information. Have a look at one here: tinyurl.com/economyinfo Make an infographic out of (some of) the information given here – it is economic data from Australia. Either draw one up on this page, or make an electronic one, print it out and stick it to this page. You could try using piktochart or canva to make the infographic.

GDP \$1.62 trillion	Services: 58%, Retail	<i>agriculture: 3.6%,</i>	Japan 15.9%
GDP growth	Trade: 5%, Mining: 7%,	<i>industry: 21.1%, services:</i>	South Korea 7.1%
3.1% (2015-2016)	Construction:9%,	<i>75% (2009 est.)</i>	United States 5.4%
GDP per capita	Manufacturing:7%	Unemployment 5.7%	India 4.2%
\$64,500 USD (2015)	Inflation	Main export partners	
GDP by sector	1.0%	China 32.2%	
	<i>Labour force by occupation:</i>		

HISTORY OF...

Trade in the ancient world

When people first settled down into larger towns in Mesopotamia and Egypt, self-sufficiency – the idea that you had to produce absolutely everything that you wanted or needed – started to fade. A farmer could now trade grain for meat, or milk for a pot, at the local market, which was seldom too far away.

Cities started to work the same way, realizing that they could acquire goods they didn't have at hand from other cities far away, where the climate and natural resources produced different things. This longer-distance trade was slow and often dangerous, but was lucrative for the middlemen willing to make the journey.

The first long-distance trade occurred between Mesopotamia and the Indus Valley in Pakistan around 3000 BC, historians believe. Long-distance trade in these early times was limited almost exclusively to luxury goods like spices, textiles and precious metals. Cities that were rich in these commodities became financially rich, too, satiating the appetites of other surrounding regions for jewelry, fancy robes and imported delicacies.

It wasn't long after that trade networks crisscrossed the entire Eurasian continent, inextricably linking cultures for the first time in history.

By the second millennium BC, former backwater island Cyprus had become a major Mediterranean player by ferrying its vast copper resources to the Near East and Egypt, regions wealthy due to their own natural resources such as papyrus and wool. Phoenicia, famous for its seafaring expertise, hawked its valuable cedar wood and linens dyes all over the Mediterranean. China prospered by trading jade, spices and later, silk. Britain shared its abundance of tin.

How is trade different now to how it is shown in this piece of text?

HUMAN VS. PHYSICAL GEOGRAPHY

Geography can be split into two parts: Human Geography and physical Geography. In the table below, find the human or physical Geography links within each subtopic, by filling in the table below. The first few have been done to give you an example.

Topic	Human geography aspect	Physical geography aspect
Australia mining iron ore to sell to China	<i>A lot of Australians are employed in the mining industry. This trade produces a lot of wealth</i>	<i>Iron ore, which is physically located under the soil in Australia, is exported to China, where it is turned into steel and sold all around the world. It spreads Australia's mineral all over Earth.</i>
Free trade making imports cheaper	<i>Cheaper prices on products means that Australian's living standards continue to rise. For example, more of us can now afford labour-saving devices like dishwashers.</i>	<i>Australians now have products in their homes produced from all around the world. We feed, clothe and amuse ourselves with products from every continent.</i>
Australia sells billions of dollars of wheat to Europe		
Australia will soon stop making cars. Other Asian nations like South Korea now make millions of cars		
Australia gives \$5 billion of aid to foreign countries every year.		
Rare endangered animals (such as birds) are illegally traded all over the world.		

THROUGH ANOTHER LENS...

The ability to think from a different point of view is really important. Below is a situation with a table of different 'stakeholders' (i.e. interested people). Fill in the table with how you think these different stakeholders would think about the issue. The first few have been done to give you an idea of how to complete it.

Australia is contemplating signing the TPP (Trans-Pacific Partnership). This is a free-trade agreement that would cover a lot of the countries who live around the Pacific Ocean. Some people are concerned that this trade deal would harm certain sectors of the Australian economy. Also, some think it would very strongly protect US intellectual property and make it hard for other countries to develop their own technology. Read more about it here:

tinyurl.com/whatistpp You can also do some research to find out what the stakeholders might think.

Stakeholder	Their view on signing the TPP
Australian Minister of Finance	We should sign the TPP. Free trade <i>always</i> improves wellbeing for everyone involved, so the more agreements like this we can sign, the better.
Australian medical researcher	This agreement was signed in secret and we the public still don't know enough about it. It looks like it allows copyright owners to sue governments for laws they don't agree with. This could be a problem for us here in Australia trying to develop new medicines. Often we need to use other people's intellectual property to make the next medical breakthrough. Many technological breakthroughs are based on existing technology.
Australian farmer	
US copyright owner	
Former US President Barack Obama	
US farmer	