

Geography

In this unit, you will learn:

- ▶ about economic activities and what they are like at different scales, from local to global
- ▶ the ways in which jobs can be arranged into groups or sectors
- ▶ the range of jobs people do and how jobs have changed over time
- ▶ what trade is and how it has become global
- ▶ how the UK economy has developed and how our links with the world have grown.

Every day, millions of people set off to work throughout the UK. From office workers and nurses to engineers and computer programmers, everyone who is working is contributing to the **economy**.

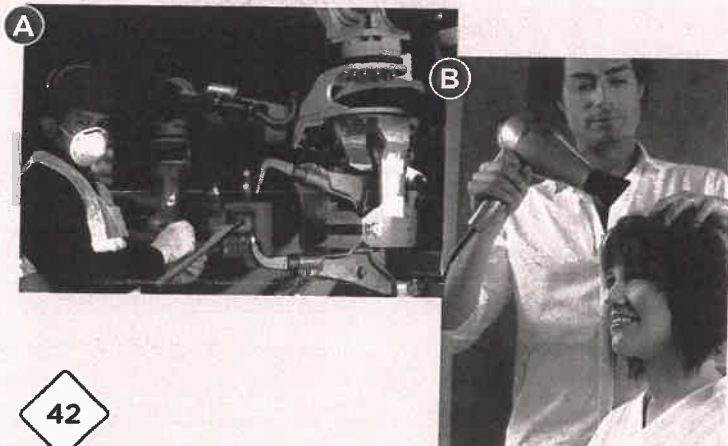
The economy means the range of human activities concerned with the production, distribution and consumption of goods and services. People are paid wages for their labour; they use this money in their everyday life, to buy things and services made or provided by other people.

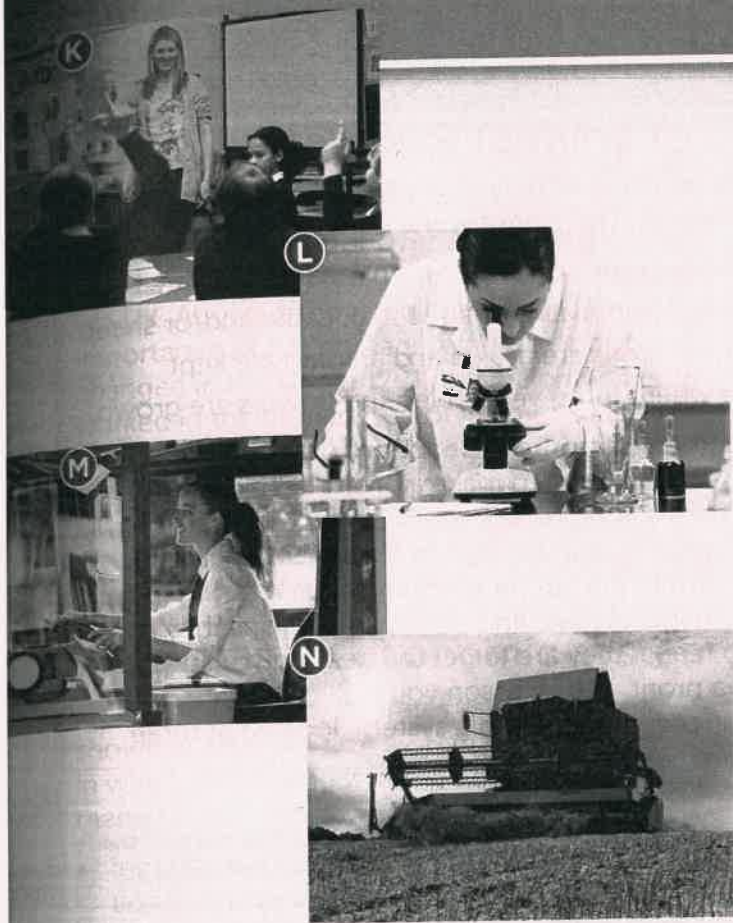
The economy operates at different scales, from your household budget, the budget for a factory or individual farm, a city, a region, a country or globally. In this unit you will investigate how the economy operates at these different scales.

What are employment sectors?

The economy of a country includes all the different types of jobs that people in a country do. A range of different jobs is shown in photos A–N. They can be grouped into four job or **employment sectors**:

- **Primary sector:** raw materials (natural resources) are extracted from the land and sea. The jobs in this sector include farmers, miners, those who work in the fishing industry, forestry workers.
- **Secondary sector:** making things (**manufacturing**) from the raw materials. Jobs include factory workers, steelworkers, builders of houses, roads and railways.
- **Tertiary sector:** providing a **service** to others. Jobs include teachers, doctors, refuse collectors, shop assistants.
- **Quaternary sector:** involves research and development. In this sector people have high-level expertise and skills such as developing new technology, or new types of medical treatments, or financial management support and advice.





Where are these different types of jobs located?

Primary jobs are found where the natural resources are located, so a coal mine, where there are seams of coal, a farm where the land, soil and climate is suited to growing a crop. Secondary jobs are located in various places, often depending on where the raw materials for the product being made are located. Tertiary jobs are often in towns and cities, where many people live who need services.

The UK's economic structure

A country's **employment structure** describes how jobs are divided between these four sectors. The employment structure of a country can change over time. Table O shows the percentages of workers in each sector from 1791 to 2011.

ⓐ Economic sectors in the UK from 1791 to 2011

	1791	1841	1891	1991	2011
Primary	75%	22%	15%	3%	1%
Secondary	15%	51%	55%	28%	18%
Tertiary	10%	27%	30%	54%	57%
Quaternary	0	0	0	15%	24%

Activities

- Write definitions of the key terms (in blue in the text) to do with the economy.
- Study the photographs A–N, which show different types of jobs.
 - Draw a four-column table, like this:

Primary	Secondary	Tertiary	Quaternary
 - Complete the table by classifying the jobs shown in each photo into the relevant sector of the economy, write the letter of the photo and name the job in each case.
 - Draw another table using the same headings.
 - Write in the correct column the statements below:
 - uses natural resources; works in a factory; keeps a herd of dairy cattle; sells or transports goods; offers financial advice; works on an oil rig in the North Sea; makes a product; provides a service; works in a shop or office; runs a hotel; digs rock from the ground to use in building; taps rubber from trees; works in advertising; developer of new technology.
- Look at the front cover of this textbook. List the different types of jobs shown on the cover image of the world.
- Conduct a survey in your class to find out the jobs done by your families.
 - Write a list of family jobs for the whole class.
 - Sort the list into the four sectors, in another copy of the table.
 - Draw a bar chart to show the numbers of family members involved in each sector.
- Where are jobs in primary and tertiary sectors located?
- Study Table O.
 - Draw a line graph to plot the data for each sector of the UK economy for each year. Draw the line graph for each sector on the same axes, but use a different colour to show change in each sector. Make sure your graph has a title and a key to show what each coloured line represents.
 - Write a paragraph to describe how the percentage share of each sector changed between 1791 and 2011.

Learning objectives

- ▶ To understand what a farm is.
- ▶ To understand a farm as an economic system.

Hi, I'm Eddie Andrew from Cliffe House farm near Sheffield. My grandfather, Hector Andrew, decided to set up a dairy farm. My father and I have learnt about this type of farming and carried it on. My grandfather wanted the business to be a success so he chose what to farm very carefully. The farm is near Sheffield, with good road links, and so there is a good local market for fresh milk. We began with ten cows, but now there are over 100 cows on the family farm and we have used a long-term bank loan against the land we own to build a new £500,000 milking processing dairy.



A Meet Eddie Andrew from Cliffe House Farm

To successfully grow crops like wheat, barley and potatoes you need flat land, with deep fertile soils, a warm climate, and not too much rainfall. You need plenty of sunshine as the crops ripen. East Anglia is the best area of the UK – here you can find all of these conditions.

B Jeff Wilson from Clevton Farm, Norfolk

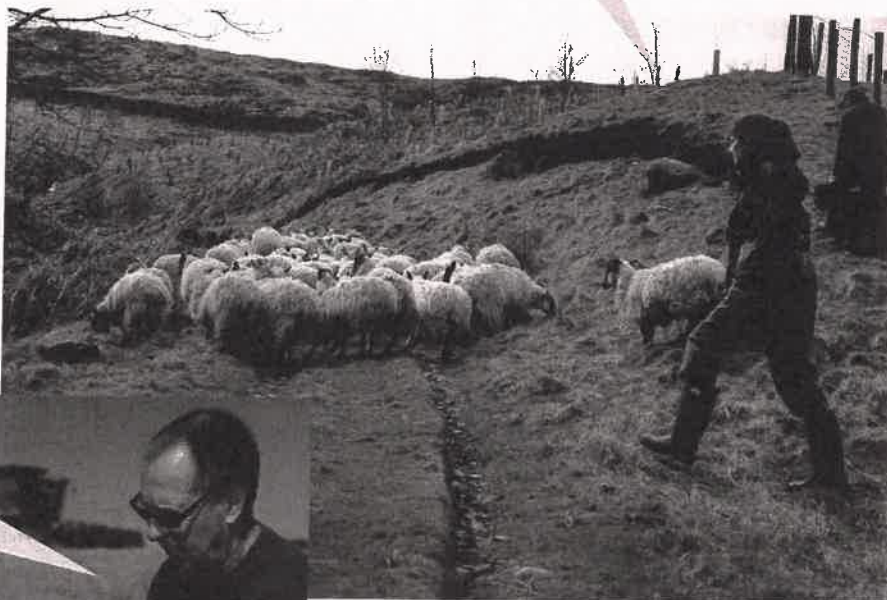
A farm is an area of land and its buildings where crops are grown and/or livestock are kept. There are several different types of farm:

- arable farms where crops are grown, e.g. wheat and barley
- pastoral farms where animals are raised, e.g. cattle and/or sheep
- mixed farms where crops are grown and animals are kept
- market gardens where fruits, vegetables and flowers are grown.

Farming is in the primary sector of the economy. A farm is usually run as a business. It is organised to make a **profit** from what it sells, so the farmer can earn a living; this is called commercial farming. Where a farmer is only growing enough to feed their family, this is called subsistence farming. A farmer must know all about their land, the soil, slopes, drainage, climate and the types of crops they can grow or animals to rear, if they are to get the best from all these elements to make a profit. In this lesson you will investigate how a farm works as a successful economic system, looking at three farmers (see A–C).

Dairy farming is a good choice for where our farm is located. The farm is quite small and the land is too steep to grow arable crops. The surrounding hills provide shelter from winds. The soil is hard to plough but the rainfall is reliable and the soil is ideal for growing grass. The cows eat this good quality grass, which helps them to produce such good milk.

Up in the hills and mountains of the UK, soils are too thin and slopes too steep for growing crops. Sheep are ideal here as they can roam on the hills in summer, grazing on short grass and heather. Sheep are tough and can survive the poor weather. We sell wool and lamb at the nearby market town.



C Gillian Brown from Hill Top Farm, North Wales



The importance of farming to the UK economy

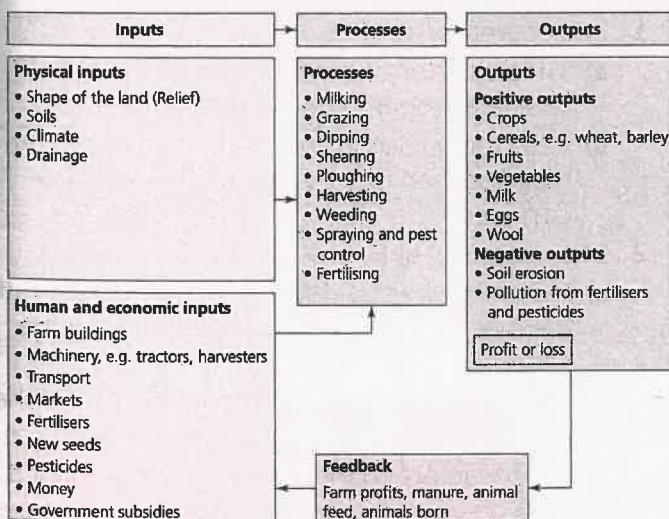
Farmland accounts for over 70 per cent of the UK's land area, but less than 1 per cent of jobs in the UK. As you discovered in the last lesson, the importance of the primary sector for jobs has changed in the UK. In 1791, the majority of people worked in the primary sector. Farms required lots of workers, particularly at harvest time as crops were cut and stored by hand. Since then there have been many inventions and changes. As you can see in Photo B, farmers use big machines today, and need fewer farm workers.

A farm as an economic system

A commercial farm operates as a system, as shown in Diagram D. A system describes the way in which something is carried out. Each system is made up of:

- **inputs:** physical, human and economic inputs which enable the system to work
- **processes:** the activities that take place to produce the outputs
- **outputs:** the end results of the inputs and processes, which can be sold
- **feedback:** the elements that can be put back into the process for it to continue and improve.

The inputs, processes and outputs for a farm are shown in Diagram D. If a farmer makes more money from the outputs than have been spent on the inputs, he or she will make a **profit**, but if they don't, he or she will make a **loss**.



D The farm as an economy system

Activities

- 1 Write a definition for the term 'farm'.
- 2 Explain why a farm is classified as a primary industry.
- 3 Write a short definition for each of the following:
 - an arable farm
 - a mixed farm
 - a pastoral farm
 - a market garden.
- 4 Read the farmers' explanations, A–C, about how they farm.
 - a) Copy and complete the following table:

Farm	Type of farm	Reasons for farming in this way
A		

- b) Why do you think it is important that the farmer makes the right decision about how to farm the land?
- 5 Why have the numbers of people employed in farming declined in the UK since 1791?
 - 6 Study the Hellvellyn OS 1:50 000 map on Map-flap B.
 - a) Locate Stybeck farm at grid reference 319188.
 - b) Look for clues on the map to help you decide which type of farm it is likely to be.
 - 7 Study the Mappleton OS map on Map-flap E.
 - a) Locate Mill Farm to the south-west of Mappleton village using a six-figure grid reference.
 - b) Look for clues on the map to help you decide which type of farm it is.
 - 8 Look carefully at Diagram D.
 - a) Write definitions of the three components of this system.
 - b) How does a farm make a profit?
 - c) Draw your own version of Diagram D and complete it to create an economic systems diagram for Cliffe House Farm using the information in A.
 - 9 Think back to what you learnt about natural resources in Unit 2.
 - a) Draw a table like the one below:

Primary sector jobs	Farming	Fishing	Forestry	Mining and quarrying
Natural resources				

- b) List the natural resources used in each of these types of primary sector jobs.

Why is manufacturing all about choosing the right site?

Learning objectives

- ▶ To know the location factors for a factory.
- ▶ To make decisions about locating a factory.

The manufacturing industry operates as a system, just like the farm that you looked at last lesson. In order to make profits, industrialists (who run these industries) need to keep the costs of inputs and processes as low as possible. They can then create a product or output which can be sold at a price customers can afford and which can still make a profit.

One of the main decisions a new industrialist needs to make is where to locate their factory. If a factory is poorly located it can lead to the business making a loss. Article A provides advice for companies on how to correctly locate their factories. You will use this advice to make a decision about the best location for a new factory in the UK.

A Business strategy guidance leaflet



FIVE FACTORS FOR FINDING THE RIGHT SITE

Business research consultants

Some companies choose particular locations for new factories, for all the wrong reasons. The location is the most critical long-term decision in establishing a profitable works. But a casual, even off-handed approach to picking a future location can be a big mistake. To help companies we have developed a scoring system (B), to help when choosing a new site. Companies must consider five factors: we call them the five Cs.

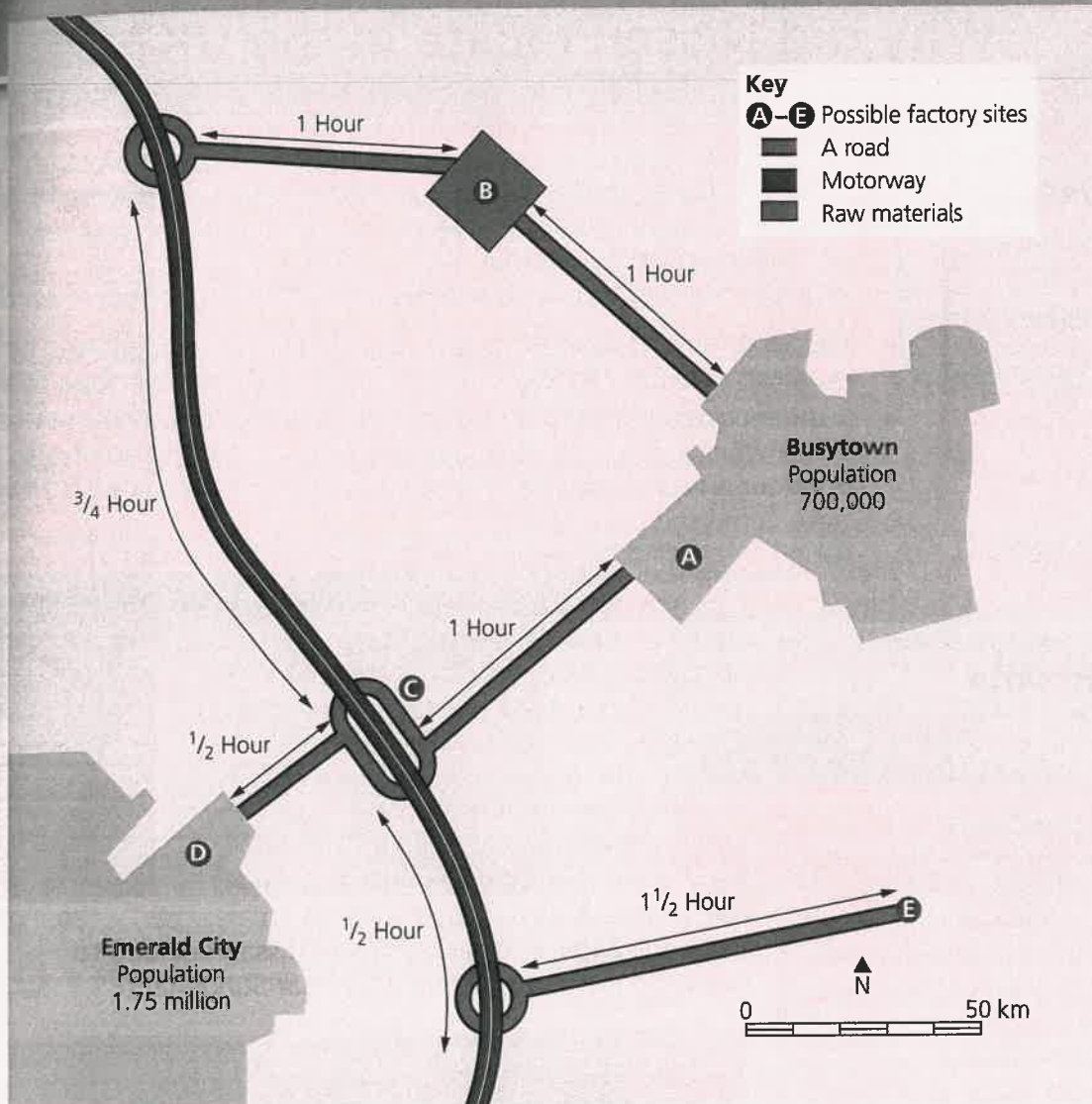
- 1 Cost:** included are the costs of buying or leasing land, office equipment, communications, wages, training, taxes and IT infrastructure [systems].
- 2 Capacity of the workforce:** availability of local labour with the right skill set for the needs of the type of industry.
- 3 Capability of the region:** ideally the raw materials for the industry can be found here. Also, there are good and reliable road and rail networks in the region for transporting in raw materials, and taking out the finished product.
- 4 Culture of the region:** ability of the location to attract talented workforce; government policies support the development of the industry; and quality of life of the region, including standard of living, schools.
- 5 Customers:** to be close to the markets for the product is essential.

B Location scoring system developed by business research consultants

Location feature	Scoring
Labour - travel time from factory to city of 100,000 people for potential workforce	
30 minutes	3
30 minutes to 1 hour	2
More than an hour	0
Raw materials	
Available on site	4
1 hour or less from site	3
More than 1 hour from factory	0
Transport - access to motorway	
30 minutes or less from factory	2
30 minutes to 1 hour from factory	1
More than 1 hour from factory	0
Market	
1 million people within 1 hour	7
500,000 people within 1 hour	5
Power - equally available at every site	

Activities

- 1** Look carefully at A.
 - a) Which sector of the economy do the business research consultants work in?
 - b) Read the guidance and then write a list of the main location factors a company needs to consider.
- 2** Look carefully at B.
 - a) Match the five Cs referred to in Article A with the five scoring categories identified in the scoring matrix, B.
 - b) Explain the importance and weighting of the scoring system.
 - c) Which factors do the authors of the guidance think are most important? Explain their choices.



C Possible locations for a new factory site

Decision making activity

Decision making is a very important part of being a geographer. This is the first time you have been required to do this in *Progress in Geography*; you will have further opportunities throughout the textbook.

- Work in a small group. Begin by looking at Map C; it shows a region where some industrialists are considering locating a factory. They are working with the business consultancy who have created a location scoring system, B, to help them make a decision. The points that would save the most money are given the highest scores.
- Discuss this points system in your group, and write a rank order list of the most important factors.
- Explain why you think these are the most important factors.

- The map provides five possible sites. Draw your own copy of the following table:

Site	Labour	Raw materials	Transport	Market	Total score
A					
B					
C					
D					
E					

- Discuss the advantages and disadvantage of each site and fill in the table.
- Provide scores for each site in your table using the scoring system, B.
- Agree which site you think is best for the location of the new factory. Justify your choice.

Learning objectives

- ▶ To apply the location factors for an industry.
- ▶ To understand how manufacturing in the UK has changed.
- ▶ To investigate a location using an OS map and an aerial photograph.

A Nissan's location requirements, article from *Nissan News*

Location requirements

We needed:

A skilled workforce – this area had a long tradition in manufacturing. The decline in the traditional industries meant the skilled labour was readily available.

Good communications – Sunderland has good road and rail links with all major UK cities. We built a terminal at Tyne port, five miles from the factory. This allows us to transport cars to Europe, as well as bring in parts to assemble the cars in the factory (see Diagram D).

UK Government support – we were given grants and other financial incentives of £40 million to move here to provide job opportunities.

Large flat plot of land with room to expand – we located at the western edge of Sunderland, on a 300-hectare disused airfield. As we have developed we made the factory bigger, built a car test track, and a wind farm with ten wind turbines that provide 10 per cent of our power needs.

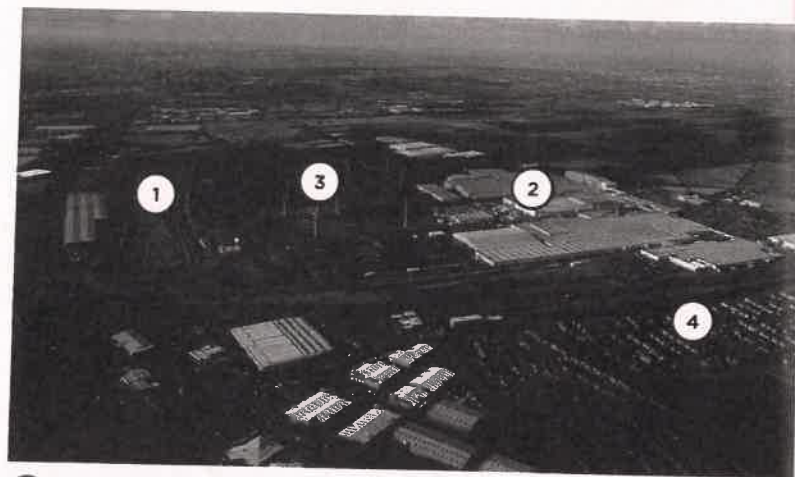
In 1986, Nissan Motor Manufacturing UK employed slightly less than 500 people and in its first year built 5,000 cars. Thirty years on from that day, there are 7,000 employees producing more than 500,000 vehicles a year. The plant has produced over 9 million cars since it opened, and now produces 10,000 cars a week. Nissan has invested over £3.7 billion in the factory.

E Kevin Fitzpatrick, employed at Nissan since the plant opened in 1986, now Vice President of the plant

Look back at Table P in Lesson 3.1, page 43. Manufacturing in the UK has declined, with growth in tertiary and quaternary sectors. There are a number of reasons for this, including:

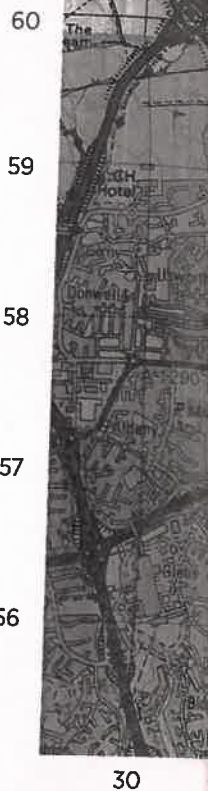
- new technologies such as robots replacing people in modern industry
- competition from other countries such as China, which can produce goods cheaper as labour is less expensive (you will find out more about this in Lesson 3.8).

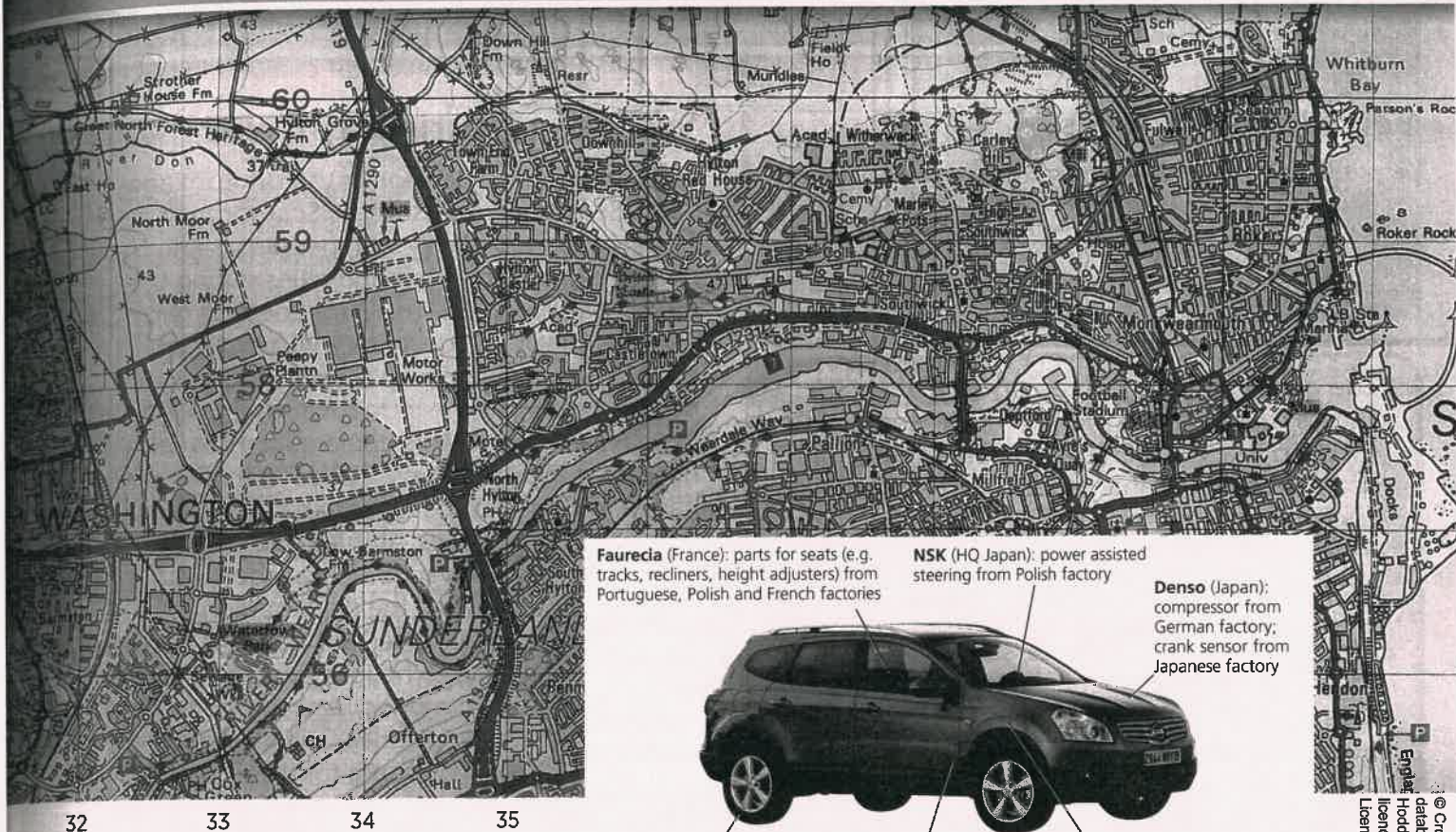
Many industries that were once important in the UK, such as iron and steel, shipbuilding and cloth- and textile-making, have all but disappeared. This has led to high levels of unemployment in areas of the UK where such industries were once located. The government has attempted to attract new foreign industries by offering them incentives to locate in these areas. Sunderland in the North-East is an example of such an area. In 1984, the Japanese car company Nissan decided to locate its first European factory near Sunderland.



C Aerial photograph of the site of the Nissan factory in Sunderland

Nissan came here when we were at rock bottom. The mining and ship building industries had died. It was pretty brutal what happened here. It was desperate back in 1986; there were no jobs and no real future. Without Nissan, the North-East would've been a disaster, a ghost town. The company's meant everything for me and my family. It was hard to get a job back in 1986, so I jumped at the chance.





B 1: 50 000 OS map of Sunderland

D The origin of Nissan car parts assembled in the UK



Origins of parts used in cars built in the UK

UK 41%

Rest of the world 59%

Destination of production from Nissan's Sunderland plant

UK 20%

EU 55%

Rest of the world 25%

Activities

- Why were there high levels of unemployment in the Sunderland area in the 1980s?
- What did the UK government do to create new jobs?
- Who are Nissan?
- Study the Nissan Article, A.
List the location factors that attracted Nissan to Sunderland.
- Look carefully at Map B and Photo C.
 - Give the six-figure grid references for the following:
 - the car works
 - Tynemouth Docks
 - the car test track.
 - Compare the aerial photo, C, with OS map, B.
 - In which direction was the camera pointing to take the photo?
 - Name features 1–4 on the photo.
- Draw a sketch map of OS Map B.
 - Label the location of: the car works, the docks, A class roads, Sunderland.
 - Annotate on your sketch the locational advantages of the factory, using A as a reference.
- Study Diagram D.
 - On an outline map of the world, locate Sunderland and all the countries that the car plant is connected to. Draw arrows to join them all to Sunderland.
 - Explain how the car plant is connected to all these locations.
- Study A and E.
Describe how successful you think Nissan in Sunderland has been from three viewpoints: Nissan, the UK government, the local workforce.

Learning objectives

- Understand why the tertiary sector of the UK economy is growing.
- Understand how tourism creates tertiary jobs.
- Understand how tourism has changed.

The graph you drew in Lesson 3.1 (page 43), shows that from the mid-twentieth century the UK secondary sector declined as manufacturing changed. At the same time, more people had become wealthy, as wages had increased. This meant people had more **disposable income** – as well as buying the essentials such as food, shelter and heating, they could now spend on non-essential items and services, such as healthcare, shopping, entertainment and holidays. This created new jobs, in a rapidly developing tertiary sector. In countries like the UK, the tertiary sector is now the largest part of the economy.

In this lesson you will focus on jobs that are linked to tourism. This is the world's fastest growing economic activity. One in every ten jobs in the world are now linked to tourism. Diagram A shows the effect of tourism on other jobs in the economy.



Travellers make direct payments for:

airlines, coaches, rental cars, trains, cruise lines, travel agents, hotels, convention centres, restaurants, shopping centres, sports arenas, entertainment, theatre, recreation, etc.



These industries are supplied by:

outside goods and services, such as marketing and PR, cleaning and maintenance, energy providers, catering and food production, design and print, etc.

- A** World Travel and Tourism Council – the effect of tourist spending on jobs

Why has tourism grown?

Tourism began to develop in the UK from about 1850. Seaside resorts, such as Scarborough and Blackpool, grew rapidly with people visiting from nearby expanding towns and cities during the Industrial Revolution. This happened for two reasons. Firstly, the development of railways provided rapid and cheap transport for lots of people. Secondly, the introduction of paid holidays meant workers could afford a week's holiday away from home. Holidays abroad rarely happened. Today most people have more leisure time and paid holidays. At the same time there have been major advances in transport with mass ownership of cars, and the development of cheap, and faster air travel. It is now the norm for people from the UK to holiday abroad. The UK, however, is also a major holiday destination for people from other countries, and tourism is an important source of income for the economy.

- B** Article from *The Guardian* online, 26 December 2017

UK braced for record number of tourists in 2018

Overseas visits to the UK are set to pass 40 million for the first time in 2018, according to VisitBritain, which is predicting tourists will spend a record £27bn over the coming 12 months. The national tourism agency said 2017 was a record year for inbound tourism to the UK – with 39.9 million visits. Next year, it is predicting that will reach 41.7 million – a 4.4 per cent rise on this year, meaning hotels and restaurants in popular destinations such as London, Bath, Edinburgh and Cambridge can expect a record year. Travellers predominately from Europe, the US and China have been arriving in ever-increasing numbers to buy luxury designer brands for lower prices than they can get at home. Meanwhile, other destinations linked to popular books, films and TV programmes are expected to continue to pull in the crowds. They include the Northern Ireland locations used in *Game of Thrones*. During 2017 events linked to the 20th anniversary of the first Harry Potter book and the 200th anniversary of the death of Jane Austen proved popular.

C Great Yorkshire Radio news, 2016

Scarborough 2016 Bumper tourism figures announced

Tourism statistics released this week show that the Borough of Scarborough remained one of the most popular places in the country to visit in 2016, with an overall increase in tourism spending; great news for the local economy. Visit England looked at trips made to English towns and cities over a three-year period from 2013 to 2015. The figures are based on the Borough of Scarborough, including Filey, Whitby and parts of the North York Moors National Park. The area had on average 1.4 million trips per year over the period. This contrasted with 3.7 million visits to London, and 594,000 to Skegness. Blackpool was third on Visit England's Great Britain Tourism Survey list, with 1.1 million trips per year.

More visitors means greater spend and that's fantastic news for our area, especially when it comes to employment. The money tourists have spent is estimated to have supported 17,827 jobs, that's 43 per cent of the total jobs in the Scarborough Borough.

D Councillor Derek Bastiman, Leader of Scarborough Council



E ABTA Annual research of UK tourists' holiday habits, 2017

A city break – 53%



A trip to the lakes and mountains – 9%



A beach holiday – 41%



Renting a private home – 9%



A countryside break – 25%



An activity holiday – 7%



An all-inclusive holiday – 17%



A cruise – 7%



A trip to see a music event – 9%



A coach holiday – 6%



Activities

- Look back at the table on page 42 in Lesson 3.1 showing how the employment structure of the UK has changed.
 - What types of jobs are in the tertiary sector?
 - Write four sentences to explain why this sector has grown.
- How has tourism changed and developed since 1850?
- Look carefully at Diagram A. Write a paragraph to explain how tourism leads to the creation of jobs in the tertiary sector.
- Read Article B. Identify reasons why the UK is a popular destination for international tourists.
- Read C and D.
 - What evidence is there that Scarborough is a popular area for tourism?
 - How has tourism led to the development of jobs in the tertiary sector of Scarborough?
- Look back at Map A and Photo B from Lesson 1.10, the OS map and photo of Scarborough (pages 20–21).
 - Draw a two-column table with the headings: Tourist attraction; Six-figure grid reference.
 - Identify and add five attractions shown on the map to your table.
- Diagram E is produced by ABTA, the largest UK travel association. Every year they conduct research about people's holiday habits.
 - Compare the top ten list with your table from question 2. Are there any surprises in the research?
 - What kinds of tertiary jobs will be created by these tourists?
 - Why do you think ABTA conducts this research for travel agents and tour operators?

Learning objectives

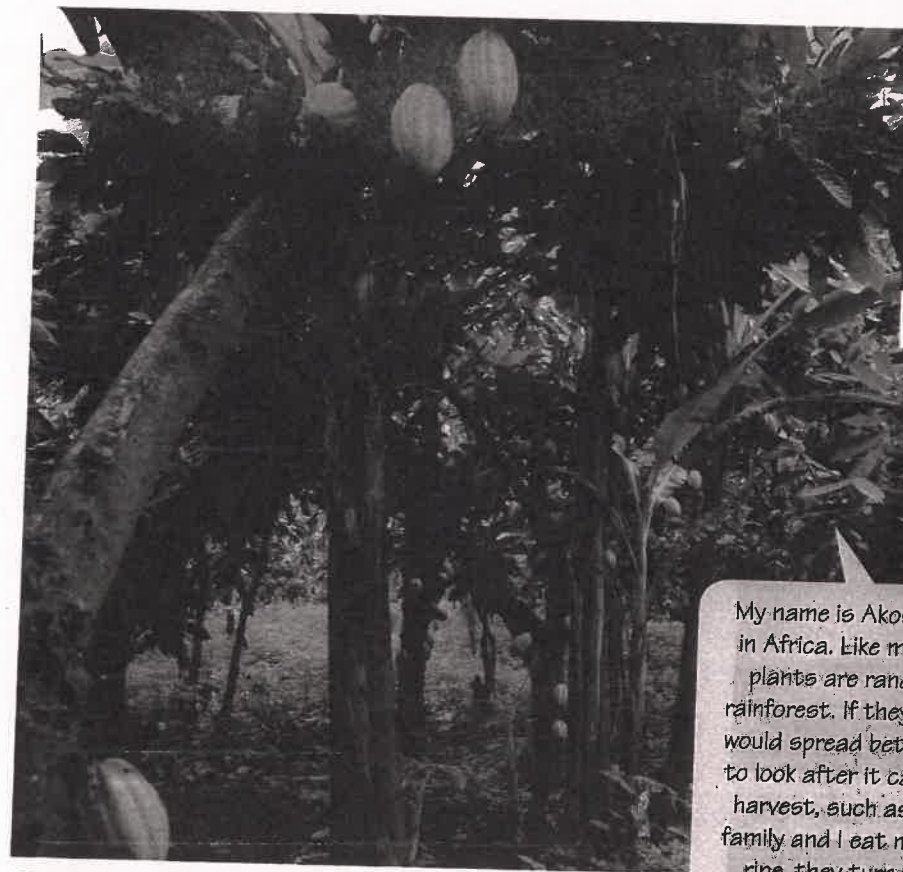
- ▶ To understand how primary, secondary and tertiary sectors work together to make an economy.
- ▶ To consider how a natural resource is used in manufacturing.
- ▶ To identify ways in which places around the world are interconnected.

Cocoa is one such example. Cocoa trees have grown naturally in tropical rainforests in South and Central America for thousands of years. The people **native** to that area, Maya Indians and Aztecs, used the cocoa crop to produce a special chocolate drink. Explorers then brought cocoa beans back to Europe and in time it became a fashionable drink and eventually, with the additional ingredient of milk, a bar for eating. Now, plantations have been established in other parts of the world where the crop can grow, such as Ghana. A huge mass market for chocolate now exists, and its production connects many countries around the world.

In Lesson 1.2 (pages 4–5) you discovered that our knowledge and understanding of the world has developed through time. The early explorers who began to map the world, were also those who discovered the rich range of natural resources on our planet. These natural resources led to the development of trade between countries.

Growing requirements of cocoa

- Humid tropical climates with temperatures of 21–32°C year-round.
- It must never be lower than 15°C.
- There must be 100 to 250 cm of rainfall, well distributed throughout the year with no month less than 10 cm.
- Cocoa only grows within 10 degrees latitude of the Equator.



B Cocoa farm in Ghana, Africa

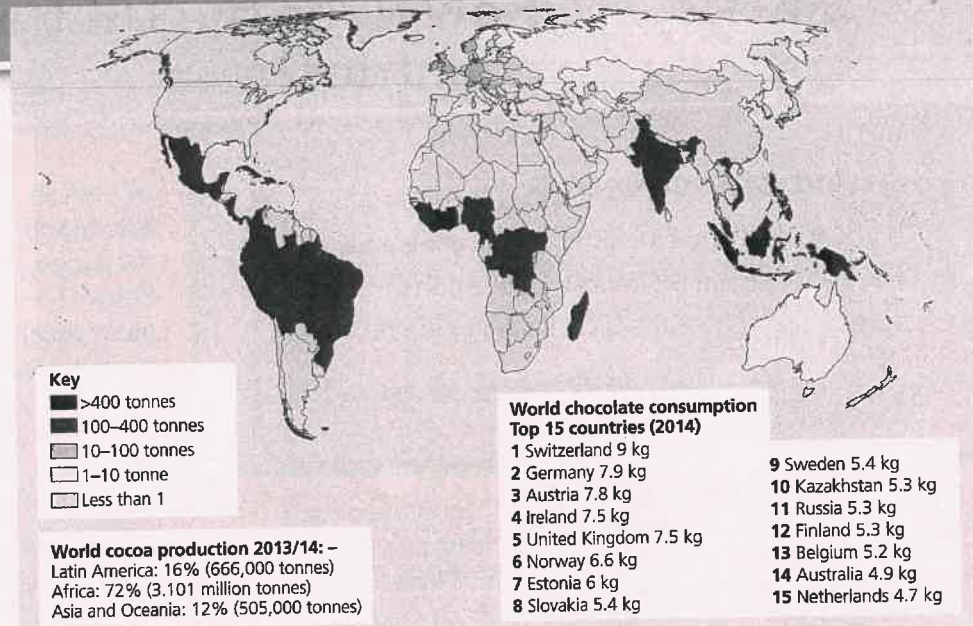


A A harvested cocoa pod

My name is Akosua Boadu. This is my cocoa farm in Ghana in Africa. Like most cocoa farms it is only small. My cocoa plants are randomly placed in the shade, in this tropical rainforest. If they were all together in a plantation, diseases would spread between them. Cocoa is a fragile crop so I have to look after it carefully. I also have other plants and trees I harvest, such as maize and spices. I sell the cocoa but my family and I eat much of the other crops. When the pods are ripe, they turn from green to yellow or red. This is when I harvest them. I then dry the beans and sell them to the local government official.

D The global exporters and consumers of cocoa

Chocolate is made from the fermented seeds of the cocoa tree, with other ingredients such as milk and sugar added in the manufacturing process. The cocoa in an average chocolate bar has travelled 5,110 km (3,176 miles) by the time you have it in your hand ready to eat! Ninety per cent of the world's cocoa is grown on small family farms, as in Photo B. It is estimated that 6 million farmers earn a living from growing and selling cocoa beans. Map D shows the main exporters and consumers of cocoa globally. The process from cocoa pod to eating a bar of chocolate involves all three of the main sectors of the economy, shown in Diagram E.



A container ship transports the cocoa beans by sea to



The products are transported by ship for world export



The dried, cured cocoa beans are then packed into sacks for transport



Cocoa pods are harvested from trees (October to December)



Chocolate is manufactured in the consuming country



Orders are assembled at the distribution centre for customers



The cocoa beans are transported in trucks by road to the Ghanaian port



Chocolate is sold in the supermarket

E From cocoa pod to chocolate bar – the chocolate production process

Activities

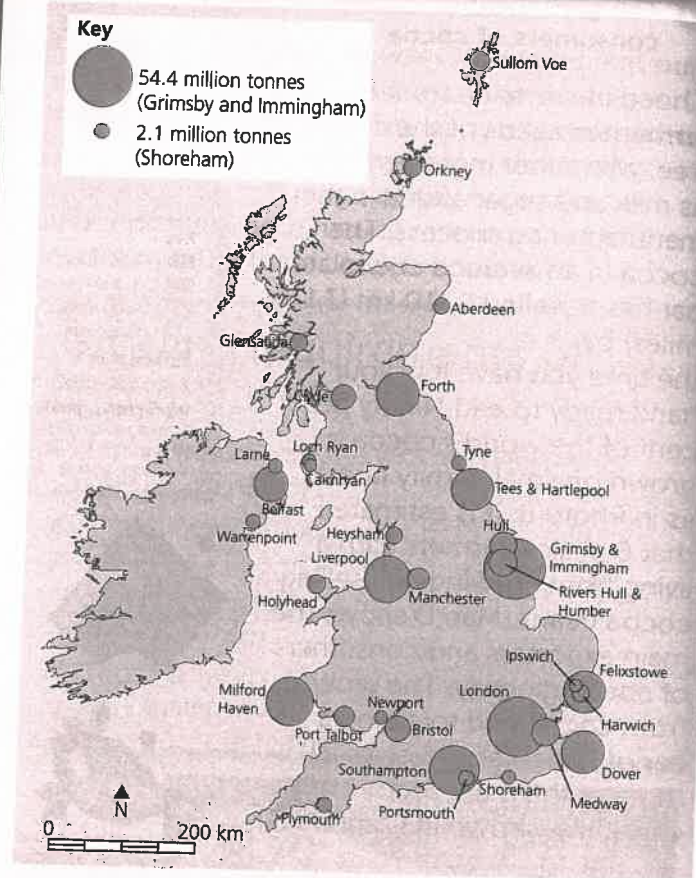
- Who discovered that cocoa could be transformed into chocolate?
- Study Photos A–C, showing the production of cocoa.
 - Write a list of the growing requirements of cocoa.
 - Write four sentences to describe how cocoa is grown and harvested.
- Look carefully at Map D.
 - Describe the world location of the producers of cocoa and the consumers of chocolate.
 - Write two lists, one showing the top five producers of cocoa, the other the top five consumers of chocolate. Include the statistical data in your lists.
 - How far, on average, has the cocoa in your bar of chocolate travelled by the time you eat it?
- Why don't the world's consumers of chocolate grow their own cocoa?
- The producers and consumers of cocoa and chocolate are interdependent. Explain what you think this means.
- Diagram E shows a number of the stages from cocoa pod to eating a bar of chocolate. Each stage in the process is mixed up.
 - With a partner work out the correct order.
 - Draw a flow-line diagram placing each stage in the correct order.
 - For each stage decide whether the jobs involved are primary, secondary or tertiary.
 - Write a paragraph describing the process of making chocolate. Justify your choice of employment sector for each stage.

Learning objectives

- ▶ To understand what 'trade' is and how it works.
- ▶ To know the main UK imports and exports.
- ▶ To understand how the UK is linked to the rest of the world.
- ▶ To understand what a port is and how it functions.

No single country has all of the natural resources or manufactured goods and services that it needs. Countries therefore need to work together to exchange the things they have and the things they need. **Trade** is the buying and selling of natural resources, manufactured goods and services.

The raw materials, goods and services that a country buys are called **imports**. Those that a country sells are called **exports**. The difference between the money a country earns from its exports, and the money it pays for its imports is called the **balance of trade**. A country is making a profit if it earns more from exports than it pays for imports and a loss if it does not.



What is UK trade?

Trade has always been important for the UK. It is the ninth largest export economy in the world. Much of this trade is transported by sea. Imports and exports are loaded and unloaded at ports,

B Location of ports in the UK, 2016

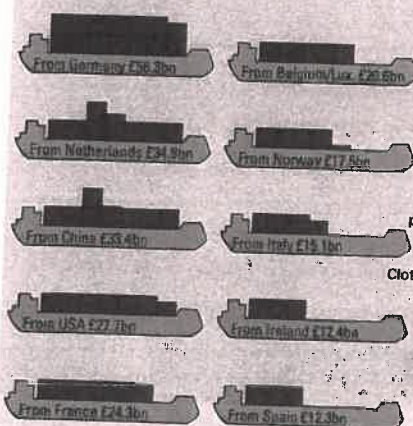
such as Southampton (see Image C). In the UK it is possible to buy food and products from all round the world. More than half of the food we eat comes from abroad. The UK trade pattern is shown in A.

A UK exports and imports

UK FOREIGN TRADE

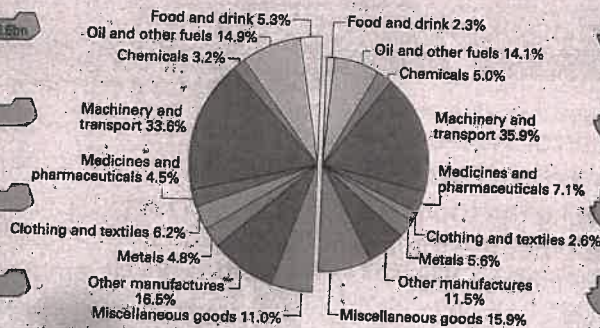
TOP TEN TRADING PARTNERS

Imports to UK



TRADE BY TYPE OF GOODS 2013

Imports Exports



Total value of imports 2013: £368.0 billion Total value of exports 2013: £282.2 billion

Exports from UK

