

Trade Economics Word Search

Answer Key

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■ 10 Terms & Definitions

<p>TARIFF</p> <p>A tariff is a tax levied by a government on imported goods. Tariffs are paid by the importing company at the border and are typically passed on to consumers as higher prices. Governments use tariffs to protect domestic industries from foreign competition, generate revenue, or as</p>	<p>DEFICIT</p> <p>A trade deficit occurs when a country's total value of imports exceeds its total value of exports over a given period. The US consistently runs the world's largest trade deficit — importing far more goods (especially from China, Mexico, and the EU) than it exports. Trade deficits</p>
<p>EXPORT</p> <p>Exports are goods and services produced domestically and sold to buyers in other countries. Strong exports benefit an economy by generating foreign income, supporting domestic jobs, and contributing positively to GDP. Major US exports include commercial aircraft (Boeing), agricul</p>	<p>IMPORT</p> <p>Imports are goods and services purchased from foreign producers and brought into a country. The US is the world's largest importer, bringing in consumer electronics, automobiles, petroleum, clothing, pharmaceuticals, and countless other products. Imports give consumers access to</p>
<p>CURRENCY</p> <p>Exchange rates determine how much of one currency is needed to purchase another, and fluctuations have massive impacts on trade competitiveness. A stronger dollar makes US exports more expensive for foreign buyers (hurting exporters) but makes imports cheaper for American consume</p>	<p>SURPLUS</p> <p>A trade surplus occurs when a country exports more than it imports, resulting in net positive trade income. Countries like Germany, China, Japan, and South Korea consistently run large trade surpluses. Surplus nations accumulate foreign currency reserves and often invest them in</p>
<p>QUOTA</p> <p>A trade quota is a government-imposed limit on the quantity or value of a specific good that can be imported or exported during a set period. Import quotas protect domestic industries by limiting foreign competition. Unlike tariffs (which raise prices), quotas directly restrict s</p>	<p>EMBARGO</p> <p>An embargo is a government order prohibiting trade with a specific country or in specific goods. Embargoes are the most severe form of trade restriction, typically imposed for national security or foreign policy reasons rather than economic ones. They are used as diplomatic tools</p>
<p>NAFTA</p> <p>NAFTA (North American Free Trade Agreement) was a landmark 1994 trade pact between the US, Canada, and Mexico that eliminated most tariffs and trade barriers between the three countries. It created the world's largest free trade zone by GDP at the time. NAFTA was replaced in 2020</p>	<p>BALANCE</p> <p>The balance of payments is a comprehensive record of all economic transactions between a country and the rest of the world over a given period. It consists of the current account (trade in goods and services, income, transfers), the capital account (debt forgiveness, asset transf</p>