

# International Trade | H1 Notes

International trade is when goods are both imported and exported across the globe.

## Imports

### Why do we import?

Sometimes Ireland imports because we do not have certain necessary raw materials, such as oil. Importing goods also provides our consumers with more choice. Some items such as fruits cannot be grown in Ireland.

### Visible Imports

These are goods bought from other countries and brought to Ireland eg cars.

### Invisible Imports

These are services bought from other countries and brought to Ireland eg Ed Sheeran playing a concert in Croke Park.

## Exports

### Why do we export?

Exporting means that our businesses sell more. This means more jobs are needed, lowering social welfare payments.

## Visible Exports

These are goods sold to other countries by Ireland.

## Invisible Exports

These are services sold to other countries by Ireland.

## The Balance of Trade

Visible Exports – Visible Imports

## The Balance of Payments

Total Exports – Total Imports

## Barriers to Trade

### Tariff

A tariff is a tax on imports. Governments collect tariffs to limit the amount of imports and to encourage people to buy from their home country and to also raise tax revenue. They raise the price of goods for the consumers.

### Quota

A quota is a limit on the amount of a certain good that can be imported.

## Embargo

An embargo occurs when countries decide not to trade with certain countries. This usually occurs during a time of political struggle, such as during the Apartheid Movement.

## Subsidy

A subsidy is money given from the government to businesses in order to help them to sell in the market. This helps them to lower the price of their goods.