Your notes

GCSE Business: revision notes

Globalisation

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What globalisation is

- **Globalisation** is the process by which the world's economies become more connected through trade, investment, communication and travel.

Opportunities

- Selling to bigger markets abroad (exporting), buying cheaper supplies from abroad (importing), producing abroad at lower cost, and becoming a **multinational company**. More competition can drive innovation.

Threats

- More competition from foreign businesses, changing exchange rates, language and cultural differences, and ethical issues in overseas supply chains.

Trade barriers and trade agreements

- **Trade barriers** include **tariffs** (taxes on **imports**), quotas (limits on the amount imported) and regulations.
- **Trading blocs** and **free trade** agreements reduce barriers. Since leaving the EU in 2020, the UK trades with the EU under the Trade and Cooperation Agreement.

Competing internationally

- Businesses use the internet to reach customers abroad, and may adapt the marketing mix for each country, changing product names, packaging, prices or advertising to suit local tastes, cultures and laws.

Key terms

Globalisation	The growing connection of the world's economies.

Export	A good or service sold to another country.
Import	A good or service bought from another country.
Multinational company	A business that operates in more than one country.
Tariff	A tax on imported goods.
Quota	A limit on the amount of a good that can be imported.
Trade barrier	Anything that makes trade between countries harder.
Free trade	Trade between countries without barriers such as tariffs.
Trading bloc	A group of countries that trade freely with each other.

Your notes

Quick questions

Cover the answers and test yourself: remembering is what makes it stick.

1. What is globalisation?
2. What is an export?
3. What is an import?
4. What is a tariff?
5. What is a quota?
6. What is a multinational company?
7. What is an opportunity from globalisation?
8. What is a threat from globalisation?

Answers

1. The growing connection of the world's economies through trade and communication
2. A good or service sold to another country
3. A good or service bought from another country
4. A tax on imported goods
5. A limit on the amount of a good that can be imported
6. A business that operates in more than one country
7. Access to bigger markets abroad
8. More competition from foreign businesses

What to do next

Practise 12 questions on this topic

Try 4 exam questions, with mark schemes

Read the lesson, one step at a time

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