

Unit three IB definitions (SL)

Administrative barriers

Any bureaucratic requirement that impedes imports.

Anti-dumping

Legislation to protect an economy against the importing of a good at a price below its unit cost of production

Appreciation

An increase in the value of a currency in terms of another in a floating exchange rate system

Balance of payments

A record of all financial transactions between one country and the rest of the world in one year.

Balance of Trade in Goods (visibles)

Export of goods minus import of goods.

Balance of Trade in Services (invisibles)

Export of services minus import of services.

Barrier to trade

Anything that prevents free trade. E.g. tariffs, quotas

Business confidence

The expectations of businesses about the future of economic conditions, (which may be optimistic or pessimistic) and affects the level of investment.

Capital Account

Component of the balance of payments. Includes:

- Capital Transfers
- Transactions of non-produced, non financial assets

CAP

A system of subsidies and tariffs that aims to stabilise agricultural markets for consumers and producers in the EU.

Common market

A customs union with common policies on product regulation and free movement of goods, services, capital and labour.

Current Account

The Current Account is made up of 4 parts:

- A. Trade in goods (visibles)
- B. Trade in services (invisibles)
- C. Income
- D. Current transfers