

Alternatively, a collapse in a foreign stock market may have direct effects on UK exports via wealth effects). This was also seen between 2012-2014 due to the slow growth in the Eurozone, which affected the UK's exports.

- **Non-price factors** (quality, after-sales care, customer service, etc.). Higher quality of design and manufacture = increased exports (e.g. Germany).

UK Trade

- **Top 3 exports** = financial services, cars and wholesale medicines.
- Leading receivers of the UK's exports = Germany, the Netherlands, France and the USA.
- **Top 3 imports** = cars, vehicle parts and aircraft.
- Leading suppliers of imports to the UK = Germany, China, USA and the Netherlands.
- Imports to the UK are usually normal goods, so as real incomes rise in the UK, there will be an increase in demand for imports which will worsen the UK's net trade balance.
- The UK target for trade is for it to be balanced (exports = imports).

Preview from Notesale.co.uk
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