

St Matthias CE Primary School Knowledge Organiser

**Key Knowledge****What is trade?**

Trade is the buying and selling of goods and services we want and need. Trade involves the exchange of goods or services in return for other goods or services or money.

Why are goods sold?

- Goods such as clothing, computers, drinks, food, toys and notebooks are made by companies around the world.
- They sell these goods to people living in countries in all seven continents of the world (which may not be able to produce them themselves).
- They are sold on a global scale – to allow other countries to have these goods.

Trade

The scale of trade has increased through time and exchanges can now happen on a global scale. The development of communication, technology and transport have enabled trade to be carried out on this scale.

Globalisation

- A process called '**globalisation**' has occurred – through the increase in trade.
- *Globalisation: process of the world's countries becoming more connected as a result of international trade and cultural exchange.*
- Trade now happens on a larger scale (global) and at a faster pace than ever before. This means we can sell and have more access to larger range of products.

Importing Goods:

We import goods because some things we want cannot be sourced within the national borders of the United Kingdom. We therefore import items such as food products from other countries. This is because the physical geography of the UK – such as climate and limited space to grow – prevents us from producing foods that we import.


The global supply chain: the different stages manufactured goods go through on their journey from source to sale.


The different stages of transforming **natural resources or raw materials** into **finished products** for sale.


Primary- extracting the raw materials e.g. farming, mining, fishing, and forestry.


Secondary- turning raw materials into other products (processing/manufacturing stage) e.g. wood into furniture, tin into mobile phones. fish into fish fingers.


Key Vocabulary


Trade  – the action of buying and selling goods and services.


Services  – the action of helping or doing work for someone.


Local  – relating to a particular area or one's neighbourhood.


National  – relating to or common to a whole country.


International  – existing, occurring or carried out between nations.


Import  – bring (goods or services) into a country from abroad for sale.


Export  – send (goods or services) to another country for sale.

High Value  – a product that is expensive.


Fair-Trade  – trade between companies in developed countries and producers in developing countries in which fair prices are paid to the producers.


Sale  – the exchange of a product for money; the action of selling something.


Developed Countries  – A country that has more business and infrastructures (roads, airports, electricity, etc).

Developing Countries  – a poor agricultural country that is seeking to become more advanced economically and socially.


Tertiary – transport to distribute goods to different locations and retail services to sell the finished product in stores

Farming  – the activity or business of growing crops and raising livestock.

Manufacturing  – the making of products on a large scale using machinery.

Product  – an article or substance (product) that is manufactured or refined for sale.

Labour  – work, especially physical work.

Natural Resources  – materials or substances occurring in nature which can be exploited for economic gain.