



# YEAR 6 TRADE AND ECONOMIC ACTIVITY



## WHAT IS TRADE?

Trade is the exchange of goods and services between people or countries. It happens when one person or business gives something they have in exchange for something they want or need. This can be done in many ways, such as buying and selling, or exchanging products. Trade is important because it allows people to get things they cannot produce themselves.

## WHY IS TRADE IMPORTANT?

Trade is important because it helps countries to access things they do not have in abundance. For example, one country might have a lot of oil, while another country has plenty of fruit. Through trade, both countries can get the resources they need. This makes life better for people by giving them more choices and products that may not be available locally.

## LOCAL VS. GLOBAL TRADE

Trade can happen at different levels. Local trade happens within a country, where people buy and sell goods in local markets or shops. Global trade, also known as international trade, happens between countries. The items that travel across borders might include food, technology, clothes, and even natural resources like minerals or oil.

## WHAT IS ECONOMIC ACTIVITY?

Economic activity is anything that involves the production, distribution, and consumption of goods and services. It is what people do to make a living, whether it is farming, manufacturing, or providing services like teaching or healthcare. Economic activity is important because it helps to keep the economy working smoothly, providing people with jobs and incomes.

## HOW DOES TRADE AFFECT THE ECONOMY?

Trade helps to grow the economy of a country. When countries trade, they can specialise in producing things they do best, which can lead to cheaper prices and better-quality products. For example, a country that is good at making cars might focus on producing cars and trade them for food or other goods. This



makes both countries better off. Trade also brings money into the country, which helps create jobs and improves living standards.

### CHALLENGES OF TRADE

While trade is helpful, there are also challenges. Sometimes, countries may not agree on the rules of trade, or some people may not benefit equally from it. This can cause problems, such as unfair working conditions or environmental damage. It is important that trade is fair and that everyone involved benefits in some way.

### THE FUTURE OF TRADE

As technology advances, trade is becoming faster and easier. The internet allows people to buy and sell goods from all over the world. However, there are concerns about how this might affect jobs and the environment. It is important to think about how trade can be improved to help everyone, while also taking care of the planet.

### CONCLUSION

Trade and economic activity are important parts of our everyday lives. They help us get the things we need and create jobs. By understanding how trade works, we can appreciate its role in building a strong economy and a better world for everyone.

### FIND OUT MORE...

[The Economy of the United Kingdom Facts for Kids](#)

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### EXAMPLE QUESTIONS:

1. What is the main purpose of trade between countries?
2. How does trade help a country access resources it does not have?
3. What is the difference between local trade and global trade?
4. How does economic activity contribute to a country's economy?
5. What are some challenges that countries face when engaging in trade?

