

Introduction to International Trade

Activity by

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Concepts

Trade
Exports
NAFTA

Objectives

Students will be able to:

- Explain the meaning of a quotation by Dr. Martin Luther King Jr. and how it relates to trade.
- Identify their state's most important export.
- Identify the United States' top trading partners and explain why these countries are at the top of the U.S. trading partner list.

Time required

Quick Pick: Steps 1 through 2 (10 minutes)

Power Up: Steps 1 through 4 (20 minutes)

Deep Dive: Steps 1 through 8 (30 minutes)

Materials

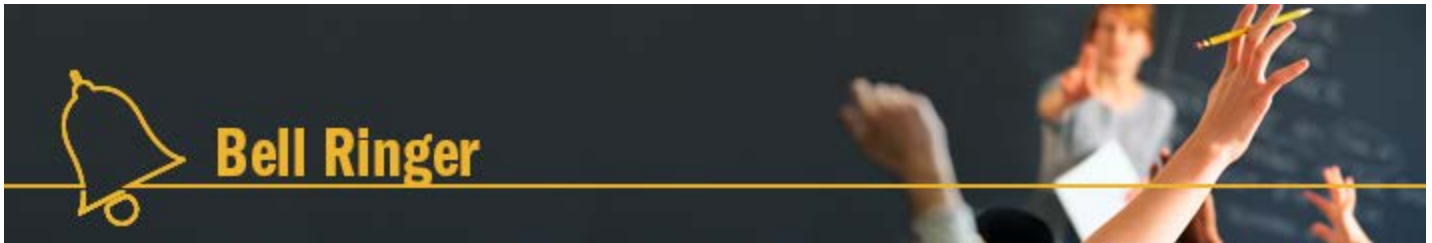
Handout 1: "Exports of the Southeast 2015"

Handout 2: "Ranking U.S. Trading Partners"

Visual 1: "Trade Quotation"

Visual 2: "Exports of the Southeast 2015 (Answer Key)"

Visual 3: "Ranking U.S. Trading Partners (Answer Key)"



Procedures

1. Ask all students to stand up. Tell them you will ask a question and if they answer yes, they should sit down. Read the following questions in order, giving students a moment to sit down as they answer yes.
 - a. “Who had coffee this morning?”
 - b. “Who had tea this morning?”
 - c. “Who had chocolate this morning?”
 - d. (Most students will have sat down by now, but to get almost all to sit down ask the next question.)
“Who drove or was driven to school in a car or bus?”
2. Ask the students what they think coffee, tea, chocolate, and transportation have in common. Take some responses from students. Someone may say that all of these things are possible because we trade with other countries, but they may not make this connection yet. After a student has mentioned trade or after you have taken some unrelated responses, post Visual 1: “Trade Quotation.” If no one has mentioned trade yet, tell students that this quotation may help make connections between coffee, tea, and so on. Read the quote and ask students who said it. Students will probably guess politicians’ names, but this was said by Dr. Martin Luther King Jr. in his Christmas sermon on peace in 1967. Tell students that, although he was not an economist, Dr. King understood how trade makes the world interrelated. Have students [read](#) the full text of the sermon.
3. Explain to students that trade is not only beneficial by providing access to goods like coffee imported from other countries, but it also provides jobs and national income through goods that we export. Ask students what they think is the number one export from their state in terms of value. (Answers will vary, but students typically think of items that were important to their states many years ago.) If you teach in the Southeast, distribute Handout 1: “Exports of the Southeast 2015.” If you do not teach in the Southeast, you may want to create a similar exercise for your region using [U.S. Census data](#). The Atlanta Fed’s [Economy Matters](#) digital publication also has an [online quiz](#) similar to the activity in Handout 1 if you would prefer to use that version with your students.
4. You may also want to show students which countries are most important in terms of trade for their state, which is also included with the import and export data.
5. Ask students which countries they think are the United States’ most important trading partners. List them on the board and then distribute Handout 2: “Ranking U.S. Trading Partners.” Ask students to compare the list on the board with the lists on the handout. If there are any trading partners on the board that are not on the handout, ask students to explain why they thought the country should be included. Ask students

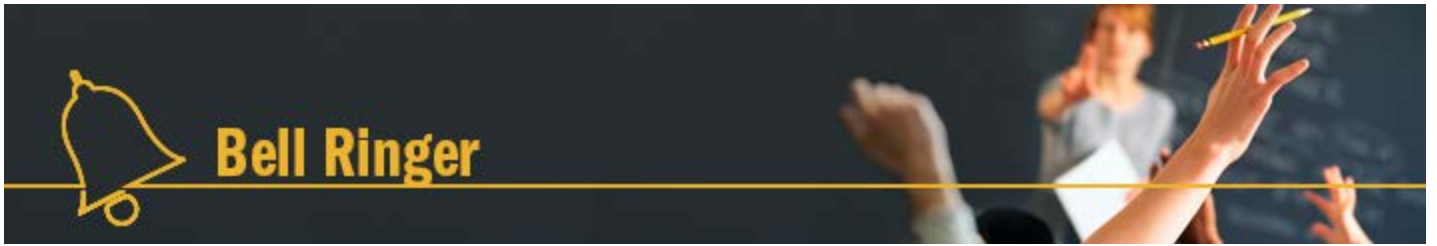


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to work with a partner or small group to rank the export, import, and trading partner in the order of total value.

6. When students are finished, ask a few to share their top three picks. China is always at the top of the list, but some students will miss Mexico and Canada, which are important trade partners due to NAFTA (North America Free Trade Agreement). Ask if students can identify any of the goods we may be exporting to and importing from these countries. You may want to display the U.S. [export data](#) and [import data](#) for trade in goods.
7. If you will be discussing trade deficits in your lesson, you can also find information on which countries we have the biggest deficit or surplus with, which is also included in the link to top trading partners.
8. For a visual look at trade and more activities, please see the Federal Reserve Bank of Atlanta's [Trade infographic](#).



Visual 1: Trade Quotation

“Did you ever stop to think that you can't leave for your job in the morning without being dependent on most of the world? You get up in the morning and go to the bathroom and reach over for the sponge, and that's handed to you by a Pacific islander. You reach for a bar of soap, and that's given to you at the hands of a Frenchman. And then you go into the kitchen to drink your coffee for the morning, and that's poured into your cup by a South American. And maybe you want tea: that's poured into your cup by a Chinese. Or maybe you're desirous of having cocoa for breakfast, and that's poured into your cup by a West African. And then you reach over for your toast, and that's given to you at the hands of an English-speaking farmer, not to mention the baker. And before you finish eating breakfast in the morning, you've depended on more than half of the world. This is the way our universe is structured; this is its interrelated quality. We aren't going to have peace on earth until we recognize this basic fact of the interrelated structure of all reality.”

—Dr. Martin Luther King Jr.
Christmas sermon on peace 1967



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Handout 1: Exports of the Southeast 2015

For each of the southeastern states, rank the top three exports in order for each state in 2015, with one being the highest value export and three the lowest value export.

Alabama <input type="checkbox"/> Bituminous coal <input type="checkbox"/> Passenger vehicles <input type="checkbox"/> Civilian aircraft, engines, and parts	Florida <input type="checkbox"/> Civilian aircraft, engines, and parts <input type="checkbox"/> Unwrought, nonmonetary gold <input type="checkbox"/> Cellular phones
Georgia <input type="checkbox"/> Passenger vehicles <input type="checkbox"/> Civilian aircraft, engines, and parts <input type="checkbox"/> Gas turbine parts	Louisiana <input type="checkbox"/> Corn (other than seed corn) <input type="checkbox"/> Soybeans <input type="checkbox"/> Petrol oil
Mississippi <input type="checkbox"/> Petrol oil <input type="checkbox"/> Light oils <input type="checkbox"/> Pigments containing titanium dioxide	Tennessee <input type="checkbox"/> Surgical and medical instruments <input type="checkbox"/> Passenger vehicles <input type="checkbox"/> Civilian aircraft, engines, and parts



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Visual 2: Exports of the Southeast 2015 (Answer Key)

For each of the southeastern states, rank the top three exports in order for each state in 2015, with one being the highest value export and three the lowest value export.

Alabama	Florida
<ul style="list-style-type: none">2 Bituminous coal1 Passenger vehicles3 Civilian aircraft, engines, and parts	<ul style="list-style-type: none">1 Civilian aircraft, engines, and parts3 Unwrought, nonmonetary gold2 Cellular phones
Georgia	Louisiana
<ul style="list-style-type: none">2 Passenger vehicles1 Civilian aircraft, engines, and parts3 Gas turbine parts	<ul style="list-style-type: none">3 Corn (other than seed corn)2 Soybeans1 Petrol oil
Mississippi	Tennessee
<ul style="list-style-type: none">1 Petrol oil2 Light oils3 Pigments containing titanium dioxide	<ul style="list-style-type: none">1 Surgical and medical instruments2 Passenger vehicles3 Civilian aircraft, engines, and parts



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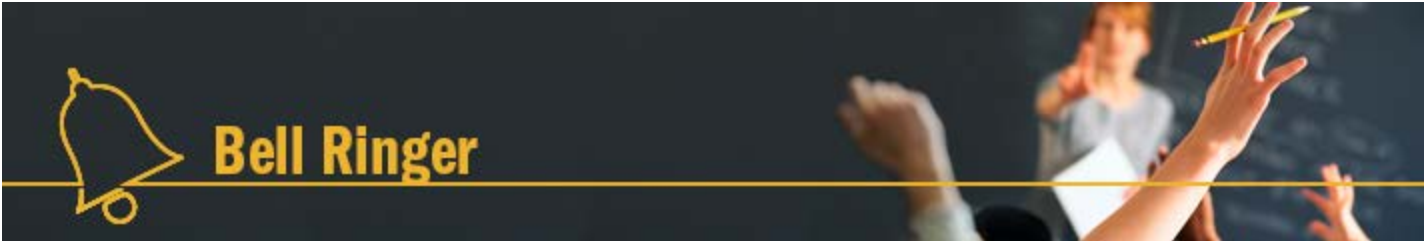


Handout 2: Ranking U.S. Trading Partners

(Year to date as of March 2016)

Here are three lists of trading partners. The left column reflects our top 10 export partners, the middle one displays our top 10 import partners, and the right column shows our top 10 trading partners overall, including both import and export values. With a partner or small group, rank each country from 1 to 10, with 1 being the highest value trading relationship and 10 the lowest value trading relationship.

Top 10 Export Partners	Top 10 Import Partners	Top 10 Total Trade Partners
<ul style="list-style-type: none">- Japan- Belgium- Germany- China- Canada- United Kingdom- Hong Kong- Mexico- South Korea- Netherlands	<ul style="list-style-type: none">- Japan- France- Germany- China- Canada- United Kingdom- India- Mexico- South Korea- Italy	<ul style="list-style-type: none">- Japan- France- Germany- China- Canada- United Kingdom- Taiwan- Mexico- South Korea- India



Visual 3: Ranking U.S. Trading Partners (Answer Key)
 (Year to date as of March 2016)

Here are three lists of trading partners. The left column reflects our top 10 export partners, the middle one displays our top 10 import partners, and the right column shows our top 10 trading partners overall, including both import and export values. With a partner or small group, rank each country from 1 to 10, with 1 being the highest value trading relationship and 10 the lowest value trading relationship.

Top 10 Export Partners	Top 10 Import Partners	Top 10 Total Trade Partners
1. Canada 2. Mexico 3. China 4. Japan 5. United Kingdom 6. Germany 7. South Korea 8. Netherlands 9. Hong Kong 10. Belgium	1. China 2. Mexico 3. Canada 4. Japan 5. Germany 6. South Korea 7. United Kingdom 8. France 9. India 10. Italy	1. Canada 2. China 3. Mexico 4. Japan 5. Germany 6. South Korea 7. United Kingdom 8. France 9. India 10. Taiwan