

Canada's World Trade



The Port of Vancouver container terminal. How would having container ports in Vancouver, Montréal, and Halifax affect trade between Canada and other countries?

Before READING

Making Connections

Think about the products that you use at home or at school. Where were these items made? Did any come from other countries? How would these items have made their way to you? Discuss with a partner.

You might be surprised to know that Canada is locked in a continual struggle with other global powers. It isn't a military battle—it is more like a constant strategic game. Like most countries, Canada's businesses and government compete to win export sales contracts. Industries continually aim to improve their efficiency and their products. Government officials (e.g., from Canada's Department of External Affairs) work hard to arrange trade agreements with other nations. Some countries win and some countries lose in these economic battles.

In this chapter, you will evaluate Canada's world trade connections. You will find out how well our country has been faring in the intense competition for export sales. You will also play a board game based on world trade groups. This chapter will complete your exploration of this unit's question: **How do economic systems influence industries across Canada and the world?**



Should consumers buy Canadian products or imported goods? Why?

Questions to Consider as You Read this Chapter

- What economic systems are best suited for successful world trade?
- How can I explain which factors benefit the top trading nations?
- How can I use primary and secondary information sources to describe trade?
- What are the pros and cons of Canada's major trade agreements?
- How can I use a map to draw conclusions about trade between countries?

Thinking About Literacy

Visualize Differences and Similarities

Visualizing differences and similarities can help you make meaning of information. A Venn diagram is a good tool to use when comparing. In this chapter, you will learn how different nations and organizations participate in world trade. Examine the similarities and differences between them using Venn diagrams. Remember to find information from the text, charts, maps, diagrams, and photographs.

What Is Balance of Trade?



WORLD RECORDS

The Largest Trade Deficit

The United States trades more than any other country, but it runs up an enormous deficit every year. In 2006, imports exceeded export sales by more than \$845 billion. Try to imagine owing an extra \$2.3 billion every day! Canada, China, Japan, and Mexico topped the list of 115 countries the U.S. must pay in order to balance its 2006 trade deficit.

WORDS MATTER

balance of trade the relationship between the value of a country's exports and imports; also called trade balance

exports goods or services that are sold to another country

imports goods or services that are brought into the country

trade deficit a negative trade balance (more imports than exports)

trade surplus a positive trade balance (more exports than imports)

First, a few personal questions: Can you keep track of your spending? Do you always seem to owe money to friends or family? Do you have money in the bank earning interest? The governments of countries have to ask themselves similar questions. Like people, some countries have growing debts because they spend more than they earn. Their **balance of trade** is negative because they sell (**export**) fewer goods than they buy (**import**). This is called a **trade deficit**, and it must be made up with cash payments or loans. Meanwhile, other countries are in better shape with respect to trade. They have a **trade surplus** by exporting more than they import. These countries are profiting from international trade. In this section, you will compare six major trading countries. Here is a sneak preview of two of them:

Trade Item	Canada, 2006 (\$US)	U.S.A., 2006 (\$US)
Value of Exports (sales)	405.0 billion	1024 billion
Value of Imports (purchases)	353.2 billion	1869 billion
Trade Balance	51.8 billion	845 billion
Trade Surplus or Deficit	Surplus +\$51.8 billion	Deficit -\$845 billion

International Carriers

Many different products move between countries. The method of transportation chosen depends upon the locations of the trade partners and the type of material moved. Countries located next to one another or on the same continent can use trucks and trains to move bulky freight. Energy supplies can be carried through pipelines and electric power wires. Trade across the oceans is a different matter. Supertankers, cargo vessels, and container ships transport different types of cargo. Planes also carry a very limited amount of lightweight, high-value goods such as diamonds.



Supertankers

Supertankers are the largest ships ever built. They are sometimes longer than four football fields from end to end! Pipelines may carry oil across continents, but supertankers are used to transport oil across oceans. Their huge capacity makes shipping fairly inexpensive. However, terrible environmental damage occurs when oil carriers run aground. In 1989, the *Exxon Valdez* spilled more than 40 million litres of oil on the Alaskan coast, causing great loss of fish and wildlife. Why is this issue important?



Container Freight

Canada has major container ports on both the Pacific and Atlantic coasts. Standard-sized metal containers are widely used for international cargo because they are secure and flexible. They are easily transferred from ships onto flatbed trucks or rail cars. Loss is minimized because containers can be tracked by using the Global Positioning System (GPS). However, since they are stacked high on the decks of ships, containers occasionally break loose during severe storms. Do you think container ships are a good way to transport goods? Why or why not?



Electric Power Lines

Energy is an important part of international trade. Oil and natural gas flow through pipelines, but electricity can also cross borders. Power plants in Ontario and Québec sell surplus energy to nearby American states. Their systems are connected as a single power grid. In August of 2003, a power failure in Ohio caused a massive blackout across northeastern North America. It continued for several days. Do you predict there will be other cases of power failures in the future, or not? Explain.

The Top Traders

During

READING

Checkpoint

Use a Venn diagram to compare two of the top traders. Try comparing a country with a trade balance deficit with one that has a trade balance surplus.

Which type of economic system do you think has been most successful in world trade? Which countries do you think have the best trade balances? After you've guessed, check your answers by skimming over the top five countries profiled in this section. Canada has been included too, but currently ranks ninth in world trade. Not in the top five, but not bad for a country with only a small fraction of the world's population!

The United States

The United States is a large country with many natural resources and huge agricultural production. Its wheat exports are the largest in the world. American industry produces a great variety of products, including technology, automobiles, chemicals, and electronics. However, many U.S. manufacturers cannot compete with less expensive foreign imports. American labour costs are much higher. To counter this, many businesses rely on off-shore companies to produce the goods and services they sell. As well, the U.S. uses more energy than it produces, and must import fuel and electricity at great cost. Huge imports make the U.S. trade deficit a serious problem.

Germany

The value of German exports is the highest in the world. Although the nation has a limited range of natural resources, it has earned a global reputation for high-quality manufactured products, such as automobiles, machinery, and consumer goods. Its \$216 billion trade surplus proves that the demand for German products is strong. The country must import some raw materials for its steel industry, along with oil and natural gas. The former communist country of East Germany and market-based West Germany united in 1990. Since then, there has been heavy investment to improve outdated factories in the former East Germany.

United States (2006)	
Population	301.1 million
GDP per capita (2005)	43 444 \$US
Human Dev. Index	.948 (8th)
Economic System	Market
Value of Exports	\$1024.0 billion
Value of Imports	\$1869.0 billion
Trade Balance	-\$845.0 billion deficit

Germany (2006)	
Population	82.4 million
GDP per capita (2005)	31 095 \$US
Human Dev. Index	.932 (21st)
Economic System	Mixed
Value of Exports	\$1133.0 billion
Value of Imports	\$916.4 billion
Trade Balance	+\$216.6 billion surplus

China

China is almost as large in area as Canada, and has a wide range of natural resources. The government of this command economy has relaxed its tight control since about 1990, with resulting increases in manufacturing output. However, there are still serious human rights violations against people who oppose the communist government's policies. China is different from the other top trading countries in this section. It is a rapidly developing country, with a huge, low-cost labour supply that produces many inexpensive items for export. As a result, China has a large and growing trade surplus. How might this rapid development affect China's trade in the future?

Japan

Japan and Germany are global economic giants, yet both are smaller in size than most Canadian provinces. Japan has to import almost all of its mineral and energy resources, but has developed into an industrial and technological leader. The country's real strength is people—entrepreneurs and workers known for their technical skills, motivation, and teamwork. Manufactured products make up 97% of Japan's exports, particularly high-quality machinery, automobiles, and electronics. Japan is very crowded, but the rate of population increase is low. As a result, Japan has an aging workforce. This has become a growing problem as companies struggle to hire from a shrinking workforce.



As Japan's labour force ages, it might not be able to export as many goods to Canada. What market opportunities might this create for Canadian producers?

China (2006)	
Population	1 321.8 million
GDP per capita (2005)	7 598 \$US
Human Dev. Index	.768 (81st)
Economic System	Command
Value of Exports	\$974.0 billion
Value of Imports	\$777.9 billion
Trade Balance	+\$196.1 billion surplus

Japan (2006)	
Population	127.4 million
GDP per capita (2005)	32 647 \$US
Human Dev. Index	.949 (7th)
Economic System	Mixed
Value of Exports	\$590.3 billion
Value of Imports	\$524.1 billion
Trade Balance	+\$66.2 billion surplus

United Kingdom (2006)	
Population	60.8 million
GDP per capita (2005)	35 051 \$US
Human Dev. Index	.940 (18th)
Economic System	Mixed
Value of Exports	\$468.8 billion
Value of Imports	\$603.0 billion
Trade Balance	−\$134.2 billion deficit

United Kingdom

The United Kingdom has a limited range of natural resources. However, the country has large supplies of energy—oil and natural gas from the nearby North Sea. Its agriculture is very efficient and produces about 60 % of the nation’s food needs. Many of the United Kingdom’s factories are outdated, and this part of the economy is in decline. As a result, the nation buys more automobiles, machinery, and other products from neighbouring European countries than it sells to them. This has caused a large and growing trade deficit.



Traditional products, like these fabrics, are still made in the U.K. Why can Britain no longer rely on such export products in today’s world economy?

Canada (2006)	
Population	32.8 million
GDP per capita (2005)	35 494 \$US
Human Dev. Index	.950 (6th)
Economic System	Mixed
Value of Exports	\$405.0 billion
Value of Imports	\$353.2 billion
Trade Balance	+\$51.8 billion surplus

Canada

Canada ranks behind France, Italy, and the Netherlands in world trade. Like many large countries, its natural resources are plentiful. Canada’s top exports include lumber, aluminum, natural gas, petroleum products, and hydroelectricity. Canada is also a leading exporter of grain. Its labour force has a greater percentage of college- and university-educated young adults than any other nation. Motor vehicles and parts are Canada’s largest single export, most of them sold to the United States. In fact, more than 80 % of Canada’s exports go to the United States. However, Canadian producers have been hurt by some U.S. policies aimed at blocking competing lumber and farm imports.

Trade and Industry

Now compare the top trading countries. The U.S., China, and Canada are large and have abundant natural resources. Germany and Japan produce high-quality products, while China is a developing country that specializes in low-cost goods. On the map below, all the top traders except China are called “Industrialized high income economies.” The large group of countries with “Agricultural low income economies” plays a very minor part in international trade.

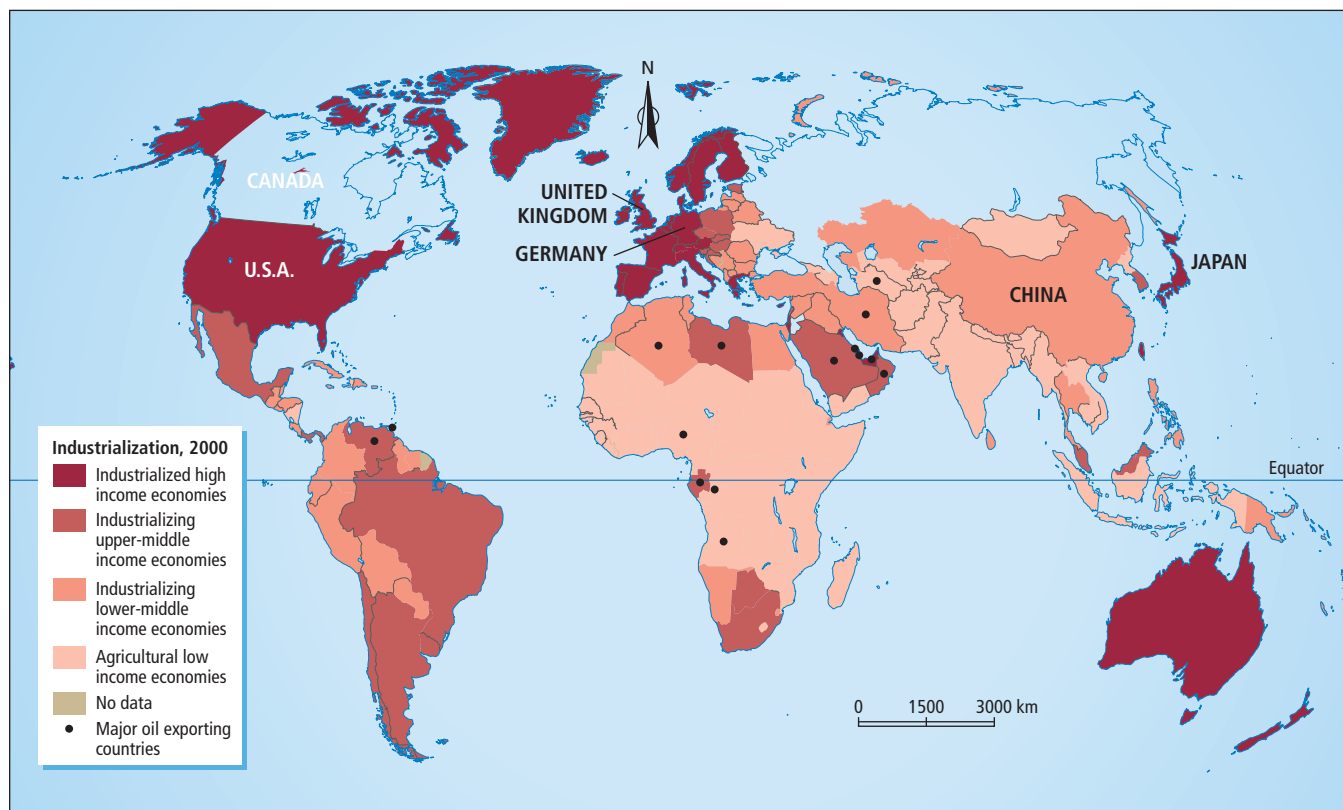
During

READING

Checkpoint

Add information from this page to your Venn diagram comparing two top traders. Remember to include information from the map.

World Industrialization, 2000



THINKING It Over

1. Use a chart to compare the advantages and disadvantages of the international carrier methods described on page G 112. Add your own information for airplanes or pipelines. **k**
2. Use the map to identify the continental locations of a) major international traders, b) minor international traders. What primary and secondary resources could you use to check your answers? **t n**
3. Make a bar graph comparing the trade balances of the six countries in this section. Place deficit bars below the base line. **t**
4. In a small group, prepare final report cards for the six countries described on pages G 114–G 116. Choose three criteria to compare. Include grades, comments, and recommendations. **k c a**

What Effects Do Global Trade Alliances Have?

During

READING

Checkpoint

Create a new Venn diagram to compare the EU and OPEC. Add how these alliances affect trade around the world.

There is security in numbers. You may prefer to be with your friends or family when you are in new surroundings. That way, you don't feel alone or vulnerable. In Canada, trade alliances were formed between Aboriginal groups, and later between the First Nations and European traders. Today, alliances are very important in the global trade wars. They also have important effects on the Canadian economy.

The European Union

In 1945, Europe's economy was in terrible shape. Two world wars had left many countries with damaged factories, huge debts, and a

reduced population. Politicians urged longtime enemies to cooperate for the benefit of their citizens. By 1957, France, Belgium, the Netherlands, Luxembourg, West Germany, and Italy were united in the European Economic Community (EEC). It was a **free trade** union—raw materials, manufactured products, and services moved between the member nations without **duties** or **tariffs**. All six countries soon experienced rapid economic growth and rising living standards.

Today, the EEC has developed into the European Union (EU)—much more than an economic alliance. There are now 27 European countries in the group, and a democratic

parliament that decides on many common policies such as trade, development, and security. A common currency—the euro—makes it easier to conduct trade.

The European Union is an example of a **trade bloc**, a large area operating under a free trade agreement. You already learned that Germany, Britain, France, Italy, and the Netherlands are five of the world's top eight international traders. They help make the European Union the world's largest trading power. By uniting economically, the European Union has become a huge trade competitor for Canada. For example, Canadian manufacturers often bid against major European firms for international sales contracts. How is Canada at a disadvantage if the sales contract is for a member of the European Union?



Why would the new European Union be a significant issue to these European students in 1957?

WORDS MATTER

free trade trade without duties or tariffs

duties/tariffs taxes on imported goods

trade bloc a large free-trade area made up of two or more countries

OPEC: Controlling an Energy Resource

Suppose you and a friend were the only ones to bring snacks to a party. You control the snack supply, so you can decide how to distribute it. Countries that produce oil have this kind of power in the world export market. The Organization of Petroleum Exporting Countries (OPEC) is an alliance of twelve nations with economies that rely heavily on crude oil exports. Put together, these countries control more than 70 % of the world's petroleum reserves. This is a vital energy resource that every country needs, and OPEC controls much of the supply. This very powerful group of suppliers is called a trade **cartel**.

Before OPEC was formed in 1960, the price of petroleum averaged only about \$2.50 per barrel. In 2007, the price reached more than \$90 US a barrel. These twelve oil producers have unified their oil policies to ensure “a steady income to producers and a fair return.” OPEC controls both the price and the supply of oil. This trade strategy has resulted in an economic boom for OPEC's major producers, found in the Middle East and Venezuela.

Canada has the world's second-largest oil reserves. Our economy has benefitted directly from the world price of oil. Although consumers see high gas prices, there are economic benefits for some provinces. How might the environment benefit from higher consumer prices for fossil fuels?



What are the advantages, for producer groups like OPEC, of supplying their products slowly? Would other groups, such as fruit producers, be so successful? Why or why not?

OPEC Members (2007)	
Africa	Libya, Algeria, Nigeria, Angola
Asia	Indonesia
Middle East	Qatar, Iran, Saudi Arabia, United Arab Emirates, Iraq, Kuwait
South America	Venezuela

WORDS MATTER

cartel a group of suppliers who agree with each other to maintain high prices and control production

Our Environment

Fossil Fuel Energy

Our society is addicted to fossil fuel energy, especially oil. Canadians use more than one million barrels of oil per day by using gas and products made from oil, such as plastics. Pollution and global warming make our oil addiction a serious environmental concern.

Record five ways you and your family could conserve fossil fuel energy. What could be the environmental impact if everyone made these changes?

Interpreting a Proportional Flow Map

MATTER

proportional flow map a type of thematic map which shows the movement of goods, people, or information

A **proportional flow map** is a special type of thematic map, useful for showing the movement of people, products, or information. The flow arrows on the map are most important. Not only do these arrows show the direction of movement, but also, their widths indicate the volume of flow along the transportation routes. Follow these steps to interpret a proportional flow map of world petroleum.

Step 1 Read the Map Legend

You will see that line and point symbols are used on the map:

- line: fine black lines show national boundaries; brown arrows represent trade in oil
- point: small purple spots show the location and size of oil fields

Step 2 Look Closely at the Flow Arrows

The flow arrows show both the directions of oil export movement and their approximate volume. First of all, the arrowheads point at the countries to which oil is sold. Secondly, the width of each arrow is proportional to the volume of oil transported.

Step 3 Identify the Map Patterns

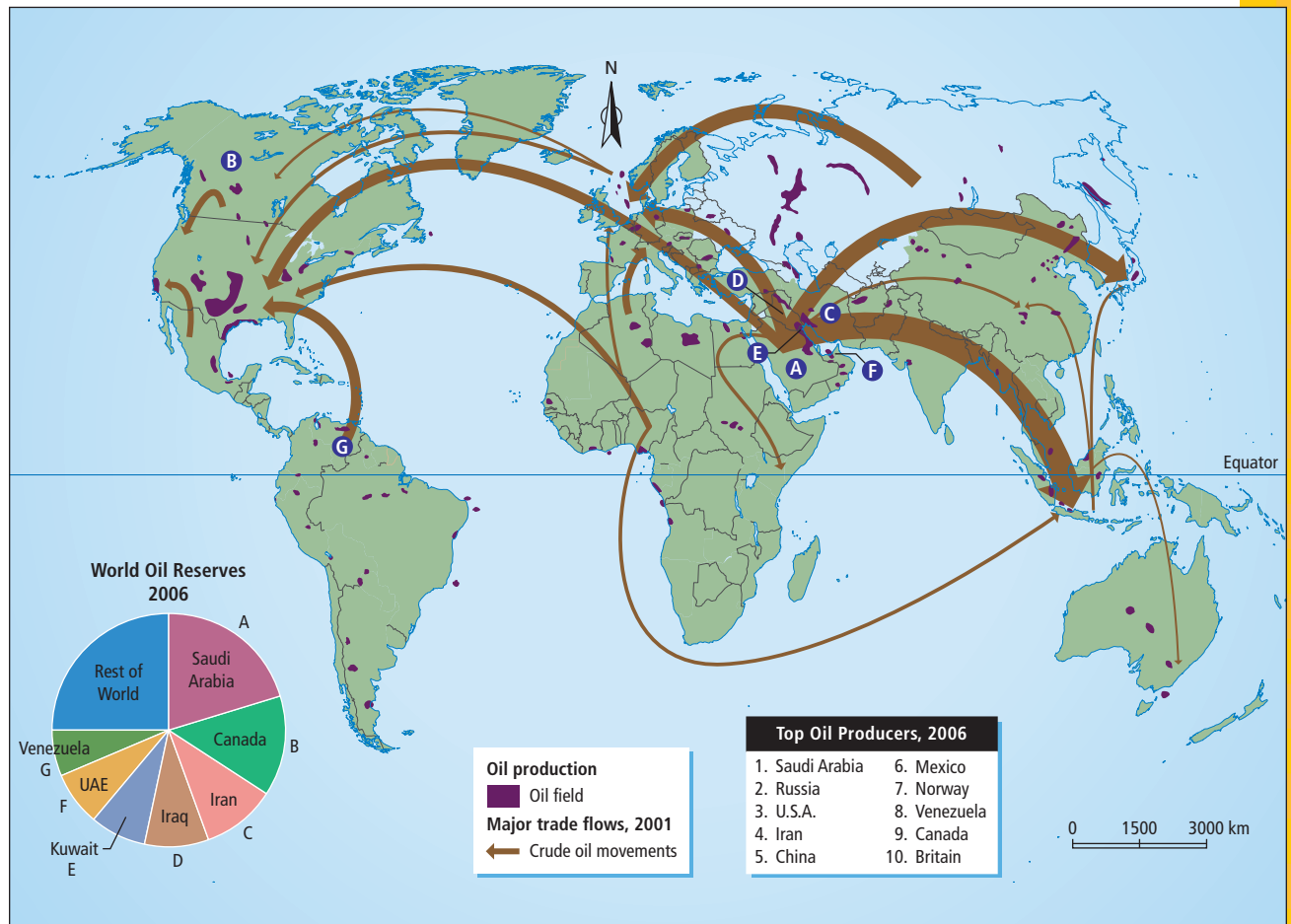
Use the direction and width of the flow arrows to identify map patterns. These questions will help you to focus on the flow patterns:

- Which countries or regions are major oil exporters? (Hint: They sell, and are the starting point of many wide arrows.)
- Which countries or regions are major oil importers? (Hint: They buy, so the widest arrows end there.)
- What do the arrows indicate about the market for Canadian oil? (Hint: Look for arrows flowing in or out of Canada.)

Step 4 Interpret the Graph and Number Table

Use the information surrounding the map to discuss the present and future place of OPEC members and Canada in world petroleum trade.

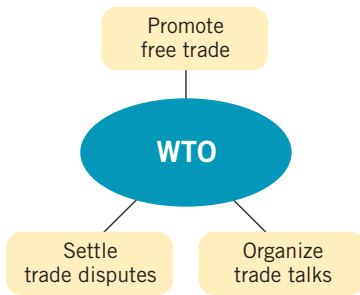
World Oil Trade Flow



APPLY It

1. Answer the three questions in Step 3 on page G 120 to identify petroleum export patterns on the map. Discuss the regional effects on Canada.
2. With the map, identify two examples each for petroleum exports which may use a) oil supertankers, and b) oil pipelines.
3. Use the map and other information provided here to comment on the importance of OPEC in a) the present pattern of oil flows, and b) the future pattern of oil flows.

Canada's Trade Links



MATTER

trade advisory group an organization that supervises trade

trade sanctions trade penalties imposed on one country by another

protectionism the policy of adding taxes to imported goods to protect a country's home industries

WEB LINK

Learn about Canada's relationship with the WTO and NAFTA. Visit our Web site.

World trade alliances have both advantages and disadvantages for Canada. First the good news: Canada has huge oil reserves and will benefit from OPEC's oil trade policies. The bad news: the European Union is a large and powerful free trade group that sets very high standards. Can Canada meet the EU's challenge? Above all, can fierce global trade competition be fair?

What Is the WTO?

Imagine playing a really intense sports game without a referee. Would the home team decide whether or not a penalty should be called? Should the fans scream out whether or not the pitcher threw a strike? Of course, the result would be chaos. The same thing would happen in the struggle for world trade without the World Trade Organization (WTO). This **trade advisory group** was formed in 1995, and represents 151 countries, including Canada. The WTO promotes free trade by persuading countries to abolish tariffs and other trade barriers. It settles trade disputes between governments and organizes global trade talks. Any country that does not obey WTO rulings faces **trade sanctions**, when other members refuse that country's imports or exports. As a result of the WTO's involvement, world trade competition may be intense, but it is generally fair.

What Is NAFTA?

Canada's answer to the European Union has been to join in a trade alliance with the United States and Mexico. In the past, Canadian industries were protected from American companies by import tariffs. Any manufactured goods crossing the border from the U.S. into Canada were taxed. This would raise the cost of U.S. products and hopefully encourage people to buy Canadian products instead. This policy of protecting Canadian industry from cheaper imports is called **protectionism**. While it promoted Canadian industry, protectionism made goods expensive for consumers at the same time.

In 1994, the North American Free Trade Agreement (NAFTA) was signed between Canada, the United States, and Mexico. It created a trade bloc to rival the European Union—although the NAFTA countries do not share a common currency or a common political system. Debate about NAFTA was very heated in Canada, because of fears that industries would be lost and the U.S. would dominate trade. Some Canadian manufacturing plants have closed, especially traditional firms making furniture, clothing, and footwear. Other companies in transportation, communication, and high-tech industries have successfully competed against imported goods and have even expanded their exports into the huge U.S. market. The flow of goods between Canada and Mexico is small but increasing.

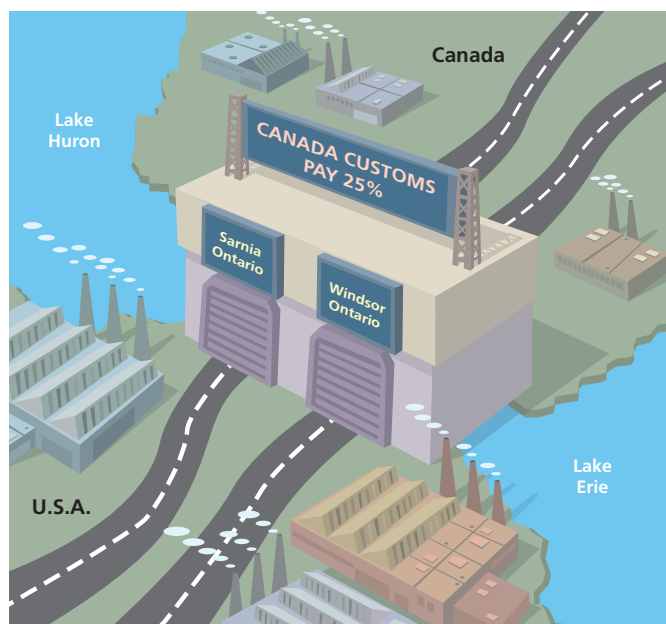
During

READING

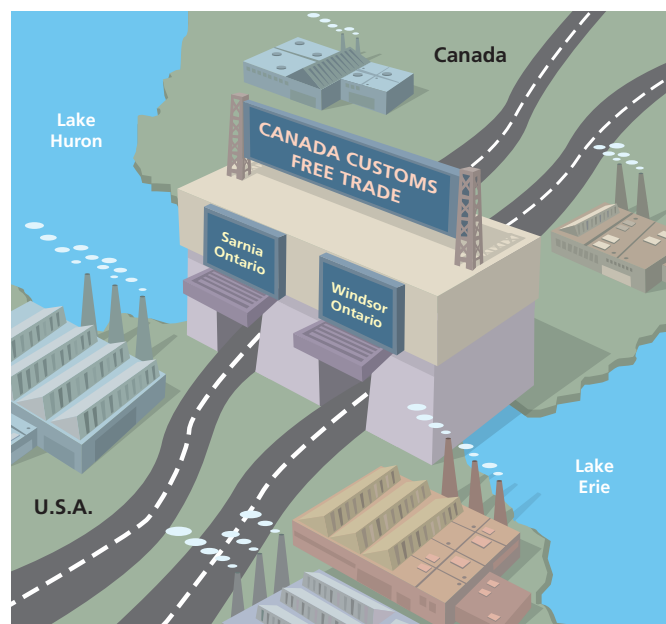
Checkpoint

Reread the text on Canada's trade links. Create a Venn diagram to compare the WTO and NAFTA. Compare the purposes of these organizations. How do they affect Canada's world trade?

Tariffs



Free trade



Tariffs vs. free trade. How would free trade affect the production of goods in Canada?

NAFTA: Divided Opinions

The outflow of business has been phenomenal... We need to abdicate [end] the agreement. Otherwise we will ...become a nation of warehouses [and no factories].

—Maude Barlow, Chairperson, Council of Canadians

Dow Chemical expects to benefit in the long run from a larger free-trade zone. Protectionism [tariffs on imports] creates small, inefficient plants that fail when restrictions are removed.

—Bob Child, Vice President, Dow Chemical of Canada

Public support for NAFTA:

Canada: 70%
Mexico: 64%
U.S.A.: 47%

Who benefits most from NAFTA?

Canadians: U.S.A. benefits
Mexicans: U.S.A. benefits
Americans: Mexico benefits



ZOOM IN

CASE STUDY

Canada and the G8

Canada is a member of the world's most prestigious economic club: the G8. The name stands for "the Group of Eight," the most powerful industrialized democracies in the world. The organization was formed in 1975, and Canada joined a year later. G8 members take turns hosting annual meetings at which foreign policy and economic issues are discussed.

Remember the criticisms of the World Bank you read about in Chapter 3? Meetings of the G8 are also met by protestors who believe that this powerful group wants to dominate world trade policies. The G8 certainly does look after its own interests, but it also deals with global issues like international terrorism and crime. Some critics believe that the G8 should be doing more for developing nations. For example, during the June 2007 meetings in Germany, Irish musician and political activist, Bono, accused Canadian prime minister Stephen Harper of blocking efforts to increase aid to Africa. The prime minister denied the charge, saying that Canada was on target to meet all of its African aid commitments.



A group photo of the G8 leaders in Germany, 2007. Given the information provided, what questions would you like to ask Prime Minister Stephen Harper and political activist Bono to better understand their points of view?

G8 Members

United Kingdom	Italy
Canada	Japan
France	Russia
Germany	U.S.A.

THINKING It Over

1. What are the differences between a trade bloc, a cartel, and a trade advisory group? **k**
2. Make a chart to compare the European Union, OPEC, and NAFTA. Use these four guiding questions: a) Why was the group formed? b) How extensive is the organization? c) Which nations are the leading members? d) How effective is the organization? **k c**
3. What is your opinion of NAFTA? Write a paragraph in which you state your opinion and reasons for it. Or, you can express your views by drawing a political cartoon or writing a letter to the editor. **c**
4. Create four questions that could be used to investigate whether or not belonging to the G8 benefits Canada. **t**

WEB LINK

Read summaries of G8 meetings from Canada's point of view. Visit our Web site.

What You Will Need




- Game board and one die
- Three small coloured moving pieces per player

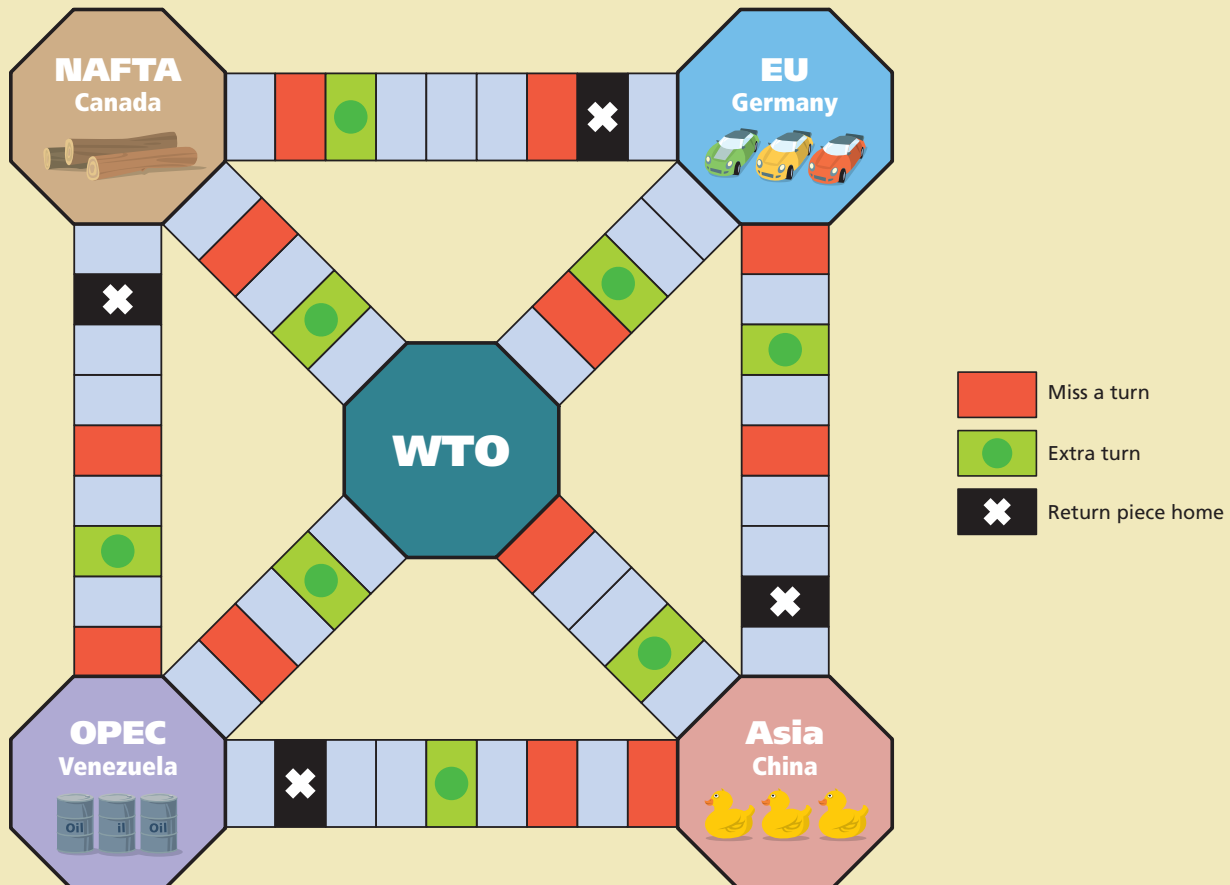
How to Play

1. Four players each start from a different corner of the board. Aim to move one of your trade items to each corner, with an exact roll to land. Deliver all three pieces first to win, then play again.
2. Take turns rolling one die and moving one playing piece in any direction away from your corner. You cannot move pieces back toward your corner. All three pieces can be in play. Each roll counts for only one piece.

3. The trade routes are filled with hazards and rewards on the specially marked spaces. Read the board symbols to lose a turn, gain a turn, or return the piece home.
4. There are fewer hazards through the centre, but if you take that route you must visit the World Trade Organization with an exact roll. Remain there having your trade dispute heard until you roll 1 to exit.

What Do YOU Think?

1. What have you learned in this chapter that connects to the game? 
2. How was the game like the real world? How was it different?  



PUTTING IT ALL TOGETHER

Canada ranks ninth in world trade even though it ranks only 36th in population. Our country has been successful in global trade competition because of abundant natural resources and a highly educated labour force. The majority of Canada's international trade is with the United States, one of our partners in the North American Free Trade Agreement. Canada is also a member of the G8 and the World Trade Organization, groups that advise and direct member countries. Canada will continue to face powerful economic rivals, including the European Union, and the Organization of Petroleum Exporting Countries. You've learned information that will help answer the unit question: **How do economic systems influence industries across Canada and the world?**

After

READING

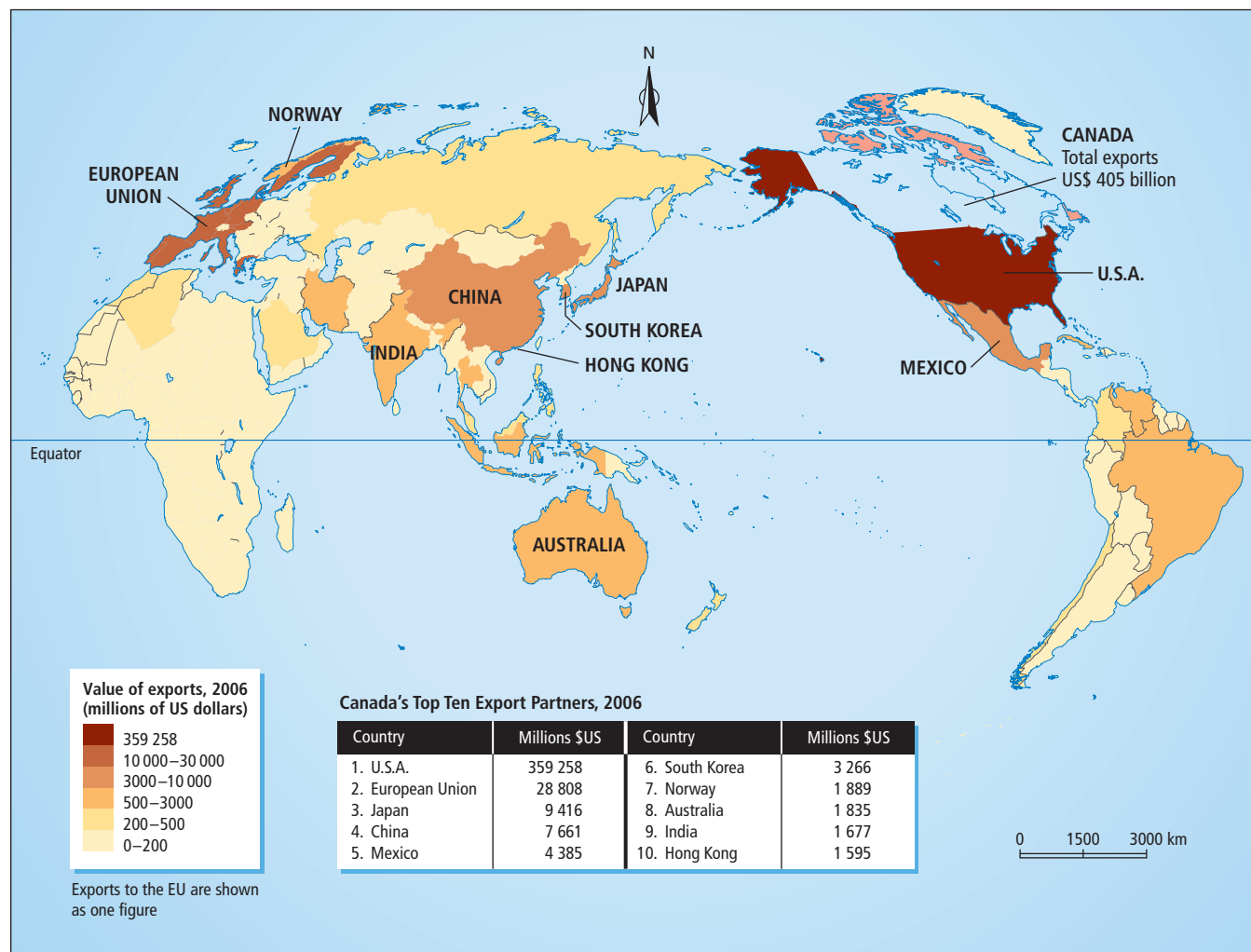
Analyze Differences and Similarities

Analyze each of the Venn diagrams you made for this chapter. What can you infer from these comparisons? Record your ideas by writing a short paragraph below each diagram.

THINKING It Through

1. How is the world map on page G 127 different from others you have seen? Explain why this type of map was chosen after you have answered the other questions. **k m**
2. Use the map to record four important conclusions about Canada's export trade. **m**
3. Based on the information on the map, explain how important each of these groups is to Canada's export trade: a) NAFTA, b) the European Union, and c) OPEC. **t m**
4. Work on a map provided by your teacher. Use the information in the Top Ten Export Partners chart to draw proportional flow arrows from Canada to each country. Base the width of your flow arrows on the map scale—the more trade, the wider the arrow. Complete your map with a legend and an appropriate title. **m c a**

Canadian Export Partners, 2006



Back to the Big Idea

In Unit 2 you learned that societies make different decisions about making and distributing products and services. Canada has a mixed economy, combining characteristics of the market and command systems. You saw that economic activities in our country are both “free” and “regulated” at the same time. Look back over your notes to review your findings about the Big Idea: **How do economic systems influence industries across Canada and the world?**

- Complete a graphic organizer to compare four different economic systems: traditional, market, command, and mixed.
- Examine your predictions (from page G 67) about the comparisons between Canada’s mixed economy and systems in other countries. Were the differences you expected present? What other comparisons did you discover?



How is the price of beef decided in a market economy? How is this decision made in a command economy?



How are economic decisions made in a command economy? What priorities are often apparent in this system?



Which type of economic system is shown here? How are economic decisions made in this system?

Show That You Know

In this unit you learned that industry and businesses are found at locations that meet important requirements. Now, you will work as part of a team to decide whether your local region is suited to a particular type of economic development. You will also assess how the arrival of this business might affect your local community.

Step 1 Choose an economic activity

Work in a small group to consider the four choices given on this page. Choose a topic, either one per person or one per group.

Step 2 Generate ideas

Use a chart organizer like this one to focus on each type of activity.

General Requirements	Best Local Location	Effects on the Community
•	•	•
•	•	•

Step 3 Become an “expert”

Have each member of the group use different types of geographic sources to investigate the topic more closely, using the chart above.

Step 4 Report your findings

- Create a point-form summary of the general requirements for each type of economic activity (or for the one which your group focused on).
- Produce a map to show the best location for this particular business activity.
- Write a page which reviews the possible effects of this type of business on the local community.

Step 5 Compare the possibilities

As a group, decide which of the four activities would be best for the community. You may want to use a comparison organizer to work out this decision.

Activity Choices

- a recreation centre (e.g., swimming, boating, camping, fishing, skiing, theme park, or museum)
- a computer-based business (e.g., video arcade, retail store, Internet provider, or Web page design)
- a manufacturing plant serving the automotive industry (e.g., engine parts, electronics, upholstery, or aftermarket parts)
- an activity suited to the region and decided by the group (e.g., a horse farm, “big box” store, mine, or a fish-based or forest-based industry)

Tip: Use maps of the local area and other information to choose suitable locations for the business.

Tip: Review the skill “Making a Map” on page S 14.

Tip: Consider these effects:

- number of jobs
- number of tourist visitors (if any)
- impact on local merchants
- impact on local schools and other services
- impact on competitors (if any)
- impact on the environment